



BAGGIO SAVES ITALY AGAINST CHILE



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TODAY:
Wonders of Bergamo Page 10
LEISURE

NATO Plans Air Activity As Warning To Milosevic

Mock Attacks Ordered Over Macedonia and Albania to Deter Serbs

By William Drozdiak
Washington Post Service

BRUSSELS — The defense ministers of NATO ordered allied military authorities Thursday to conduct air exercises over Albania and Macedonia in a bid to escalate pressure on the Yugoslav president, Slobodan Milosevic, to halt an offensive against ethnic Albanians in Serbia's Kosovo Province.

The show of air power, which could start within days, is intended to provide a vivid demonstration of the alliance's capability to project power into the region, while avoiding the fateful step of

Officials seek a way to act within the legal limit. Page 4.

direct Western military intervention in another Balkan conflict.

"Milosevic has gone beyond the limits of tolerable behavior," said the NATO secretary-general, Javier Solana. "We are showing that we are willing to back up international diplomacy with military means."

Mr. Solana said the ministers would also ask military planners to draw up detailed future options with three goals in mind: to prevent the violent expulsion of refugees, to bring about a cessation of violence and the disengagement of armed forces, and to encourage serious negotiations toward a lasting solution.

After reviewing what has evolved into Europe's worst security challenge since the 1992-95 Bosnian conflict, the ministers expressed grave concern that the situation in Serbia's southern province of Kosovo had "deteriorated seriously in recent days" because of what they described as a "new level of violence" by the Serbs' forces.

More than 300 people have been killed and an estimated 20,000 refugees have fled since the Serbs launched a crackdown in February against ethnic Albanians, who represent 90 percent of Kosovo's population.

The ministers called for a political solution that would end the violence, protect civil rights of all ethnic groups and restore autonomy to local Albanians while preserving the territorial integrity of Yugoslavia — which now comprises only Serbia and Montenegro.

The decision to begin air exercises came amid a flurry of diplomacy and

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A currency trader bidding in Tokyo on Thursday as the yen plunged.

Gloom Hangs Over Tokyo and Bangkok

Even if Japan moves to reverse the economic slide, the yen is still headed down, economists say. And if the economy contracts again, recession will be the watchword. Page 17.

In Washington, Thai officials received praise and assistance from the International Monetary Fund, but in Bangkok, stocks dropped to their lowest levels in a decade. Page 21.

Asia's Slide Gathers Pace

Extent of Crisis Has Surprised Even Pessimists

By Mark Landler
New York Times Service

HONG KONG — It has been close to a year since Thailand devalued its currency, igniting a financial firestorm that has spread across Asia. Now, far from recovering, Asia's economies may be heading into an even more dizzying downward spiral.

In dismal succession over the past two weeks, Hong Kong, Malaysia and Indonesia confirmed that their economies shrank in the first quarter of 1998, and were likely to keep shrinking for the rest of the year. Japan, South Korea and Thailand are also contracting, and even the few countries that have managed to keep growing — Tai-

wan, the Philippines, Singapore and China — are slowing to a crawl.

The Asian financial crisis is muttering into the most serious worldwide recession since World War II.

By itself, a recession would not be a surprise. Last year's crashing currencies and stock markets were bound to drag down Asia's fundamental economic performance. A recession, which would be declared officially after two consecutive quarters of contraction, was expected and is almost certainly under way. But the depth of the downturn, the difficulty of a recovery, and the gloom that suffuses the region has surprised even the pessimists.

"We're in for a really hard time," said Richard Margolis, a regional econ-

omist at Merrill Lynch & Co. in Hong Kong. "Wherever you look around the region, you don't find a lot to be cheerful about. There is a general pall hanging over Asia, which doesn't help consumer confidence."

The culprit for this latest flare-up of Asian angst is the Japanese yen, which has plummeted against the U.S. dollar and put enormous pressure on other Asian currencies. The yen is at an eight-year low against the dollar. Stock markets throughout Asia have plunged to their lowest levels in years. In Bangkok, where the crisis began, the Stock Exchange of Thailand closed Thursday at a 10-year low.

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Japan Told to Fix Itself

Rubin Says Tokyo Must Bolster the Yen

By Brian Knowlton
International Herald Tribune

WASHINGTON — Treasury Secretary Robert Rubin said Thursday that the United States shared concern about the weakening yen because of its "implications for economic recovery in Asia," but added that it was up to Japan to restore its underlying economic strength.

His comments were underscored by an urgent new call from China for Japan, a key trading partner, to put its economic house in order. A Foreign Ministry spokesman said China would maintain its policy of not devaluing its own currency, the yuan, which is also under growing pressure.

Mr. Rubin at first suggested, in com-

ments before a Senate committee, that there would be no U.S. intervention to bolster the yen, causing the Japanese currency to drop to an eight-year low of nearly 144 to the dollar.

Informed of that drop, Mr. Rubin amended his testimony to say that intervention remained an option, but the revised comments did little to dent the dollar's rally against the yen.

The dollar closed in New York at 143.98 yen, up from 141.58 yen Wednesday and compared with 135.5 yen just a month ago.

"The weakness of the yen reflects the economic conditions in Japan, and can only be remedied by restoring economic strength in Japan," Mr. Rubin told the Senate Finance Committee.

The Dollar		
New York	Thursday 8:41 P.M.	previous close
DM	1.8078	1.7955
Yen	143.98	141.58
FF	6.0635	6.0215
Pound	1.6275	1.6285
Dollars per pound		
The Dow		
Thursday close	percent change	
159.83	8.811.77	-1.78%
S&P 500		
18.32	1,094.53	-1.65%

"Most troubling," Mr. Rubin said, "the Japanese economy still fails to show signs of recovery, and Japan's economic difficulties and weak currency are having substantial adverse

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Indonesian Army Backs Reforms

But It Warns of Crackdown if Demonstrations Get Out of Hand

By Seth Mydans
New York Times Service

JAKARTA — Indonesia's powerful military affirmed its backing Thursday for the reform movement that is spreading new freedoms through the country but warned that it would crack down if demonstrations and protests get out of hand.

At a news conference, the defense minister and armed forces chief, General Wiranto, also asserted his support for the new administration of President B.J. Habibie and urged people to be patient and allow it to pursue reforms.

General Wiranto said he had ordered the military to watch over the reforms — which include a proliferation of political parties, a free press, labor activism and student demonstrations — to keep them from running out of control and destabilizing the nation.

"Many countries were able to start reform but unable to end the process properly, as happened with the Soviet Union with its glasnost and perestroika movement," General Wiranto said. "The armed forces will use the authority with which they are vested to take part in safeguarding and controlling the reform movement."

As one example of this, armed soldiers stood by but did not intervene Thursday as some 4,000 students demonstrated outside the locked gates of the Parliament building, where their five-day sit-in last month helped to bring down former President Suharto.

The paradox of freedom and threat was evident Thursday on the city's streets, where jubilant protesters waved flags from the tops of buses and shouted abuse at the government while soldiers in battle fatigues held their assault rifles at the ready but took no action. In the disputed

See INDONESIA, Page 12

World Cup Ticket Seekers Bought Seats of Thin Air

By Mary Jordan
and Anne Swardson
Washington Post Service

Just hours before Michio Ishii was to head to the Tokyo airport Thursday to fly to France, she got a rude shock. Her travel agent phoned at 1 A.M. and told her that even though she had paid \$4,000 to go to France to see the World Cup, her promised soccer match tickets had vanished.

The whole point of joining the special World Cup travel tour was for Miss Ishii to cheer on Japan's team, not to see the Eiffel Tower, and the travel agent told her that the trip was canceled.

"I still can't believe that this happened to me," said the 34-year-old advertising executive in a telephone interview from her home, where she spent much of the day in bed and in shock, her bags still packed. "I am disappointed and irritated and angry, but for the moment I am mostly numb."

So are about 10,000 other Japanese soccer fans, and, according to French press reports, hundreds and perhaps thousands of fans from Brazil, Scotland and the Netherlands who just found out

that the tickets they paid a great deal of money for apparently do not exist.

Finger-pointing and considerable confusion reigned on Thursday in a kind of soccer ticket twilight zone as French organizers meticulously denied any malfeasance on their part. Tour operators also seemed to fall under sus-

French soccer star is completing a long trip home. Page 25.

picion, and there were unconfirmed reports that a French police inquiry had been launched to determine whether mistaken overbooking or fraud was involved.

About 700 Brazilian fans did not receive tickets they had ordered for Wednesday's game between Brazil and Scotland. According to various reports, 12,000 Dutch residents who thought they had bought tickets did not receive them. And one report told of police rushing to one Paris hotel to quell a

See TICKETS, Page 25



Marcelo Salas of Chile heading a goal past Fabio Cannavaro of Italy in a 2-2 draw Thursday. Cameroon and Austria also drew, 1-1. Page 24.

French Workaholics Beware: The Law Is Moving In

By Joseph Fitchett
International Herald Tribune

PARIS — A task force of engineers and team leaders who were trying hard to complete a highly competitive electronics contract were startled to see French job inspectors abruptly appear in their midst shortly after 7 o'clock one evening early this year.

What are your names and why are you working late?

The inspectors wanted to know. Ignoring protests about their intrusion, several inspectors insisted on putting the same questions to corporate executives who were meeting with a po-

tential customer in nearby offices, according to an anonymous pamphlet that circulated after the raid on the headquarters in suburban Paris of Alcatel-TITN Answare, a subsidiary of Alcatel, France's giant telecommunications manufacturer.

It is one of several prominent French companies that have been raided by job inspectors bent on stopping executives and top-salaried specialists from working longer hours than the official 39-hour workweek — in effect, doing unpaid overtime as executives.

In addition to snap inspections, investigators have staked out plants' parking lots to photograph license plates and document that the cars' owners are spending

too much time in their offices. Once considered business as usual, the practice among managerial-rank employees of working long hours if needed to get the job done has become a violation of French labor law.

Welcome to the hottest front in the long-running wars of the 35-hour workweek decreed by France's Socialist-led government.

Even though the idea is bitterly opposed by business, the government has expanded the plan for shorter hours beyond factory and white-collar wage-earners to include salaried employees known in French as

AGENDA

A Breakthrough On Tuberculosis

Scientists have broken the genetic code of the tuberculosis bacterium by working out the structure of its DNA sequence. The advance, made by a team based in Britain and France, is likely to aid the development of drugs and vaccines against the microbe, which kills more people in the world than any other infectious agent. Page 2.

Honda to Enlarge British Operations

Honda Motor Co. said it would invest £450 million (\$732.9 million) and hire 1,000 extra workers to build a new compact car at its Swindon plant in western England. Honda hopes to increase its output at the plant to 250,000 autos yearly by 2002. Page 19.

Chrysler and GM Court an Airline

Chrysler and General Motors are near an agreement to pay a monthly fee to Pro Air, a start-up airline based in Detroit, in exchange for unlimited passage on the carrier for their employees. It is one of the first efforts by major companies to counter high fares charged by major airlines. Page 18.

Women Suffer Most From Asia Crisis

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The IHT on-line www.ihl.com

U.S. Business Wary When Republicans Play Politics

By Thomas B. Edsall
Washington Post Service

WASHINGTON — Major corporations and trade associations are increasingly angry at Republican congressional leaders they see as determined to accommodate the Christian right by adding abortion and religious amendments to foreign policy bills and to mine a scandal over satellite-launching technology for China, both issues at the expense of business.

Some business leaders are threatening to pull the plug on the huge corporate political cash flow to the Republicans, which helped the party stay in power two years ago.

Corporate giving has gone from favoring House Democrats in 1992 to

Clinton widens his defense of his upcoming visit to Beijing. Page 5.

favoring the Republicans in 1996: an overwhelming \$36.8 million for House Republicans and just \$16.2 million for Democrats.

Business cannot look to the Republican Party as a reliable ally, contend Charles Mack and Bernadette Budge of the Business-Industry Political Action Committee, an organization that makes recommendations to corporate political action committees.

They wrote to their members: "We can no longer restrict ourselves to one or two political options in our quest to assure a genuinely and reliably pro-business majority in Congress."

"The business community never expected a Republican Congress to advance isolationism and advance the use of unilateral sanctions," said Bruce Josten, senior vice president of the U.S. Chamber of Commerce.

The corporate leaders say that social conservatives and the religious right have pushed the Republican leadership into positions that threaten U.S. competitiveness in perhaps the most important growing overseas market — China — and that endanger U.S. interests in other key foreign markets through sanctions against countries charged with religious persecution.

In addition, the Republican House is holding up an \$18 billion U.S. contribution to the International Monetary Fund, money that both the administration and many large exporters consider crucial to maintaining a semblance of economic stability in Russia, Japan and various parts of Asia.

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Newsstand Prices			
Andorra.....	10.00 FF	Lebanon	LI 3,000
Antilles.....	12.50 FF	Morocco	16 Dh
Cameroon.....	1,800 CFA	Qatar	10.00 QR
Egypt.....	5.50	Réunion	12.50 FF
France.....	10.00 FF	Saudi Arabia.....	10 SR
Gabon.....	1,100 CFA	Senegal.....	1,100 CFA
Italy.....	2,800 Lire	Spain.....	225 Ptas
Ivory Coast.....	1,250 CFA	Tunisia.....	1,250 Din
Jordan.....	1,250 JD	U.A.E.....	10.00 Dh
Kuwait.....	700 Fils	U.S. Mil. (Eur.).....	\$1.20



Priority for Males / Lost Jobs and the End of Schooling

Asian Crisis a Disaster for Women

By Nicholas D. Kristof
New York Times Service

SEOUL — As the South Korean economy boomed, so did Son Kyoung Suk's career. As a clothing designer at the Shinsegae Department Store, she was steadily given more responsibility and promoted to become a buyer, a job usually reserved for men.

Then when South Korea's economy burst, so did Mrs. Son's career. The company needed to slash costs, and so her department decided to cut her position and those of five other women.

"It was only the women who were pushed out," she recalled, her black eyes sparkling angrily through her glasses. So Mrs. Son, 47, was dismissed April 30. Leaning forward angrily in her chair, elegant in a black cotton suit that she designed in better days, she brooded that the Asian financial crisis has been a special disaster for women.

The bottom line across most of Asia, from the office suites of Japan to the peasant villages of Indonesia, has always been that resources are allocated disproportionately to men and boys. In times of bounty, there are plenty of leftovers for women; in lean times like these, it is women who are the leanest of all.

"The impact on women and girls is just catastrophic," said Linda Tsao Yang, the American envoy to the Asian Development Bank in the Philippines. Like many scholars and aid workers, she says that because of the financial crisis, women are disproportionately losing their jobs and families are pulling their daughters out of school or even selling them to brothels.

"Once these girls have dropped out of school, they'll never go back," she said. "And once they're into prostitution, that's the end of their lives. They will be a lost generation."

This generation is made up of girls like Juliana Aoctpa, an 8-year-old with olive skin, big black eyes and long black hair, who lives in the village of Toeneka in eastern Indonesia. Indonesia has been hit by the Asian financial crisis, by a drought and by political turmoil that has further ravaged the economy. So Juliana's parents told her to drop out of the local elementary school and spend the days fetching water and gathering food.

"School is free," said her mother, Josina Banue. "But the children have to buy a uniform, and we just couldn't afford it."

The uniform costs a bit less than \$2.

The number of children dropping out of elementary school in poor areas of Indonesia has doubled in the last few months, aid organizations say, and the great majority of the dropouts are girls.

"People say it's better for girls to stay at home, so that they can save money for the boys," said Meriana Kulla, a 17-year-old girl on the Indonesian island of Sumba. "Parents are afraid that their money will run out, so they are pulling the girls out of school."

This is not a new problem, for even before the crisis, girls in Indonesia were six times more likely than boys to drop out of school before the fourth grade. But the long economic boom in Asia had been chipping away at gender discrimination and creating new opportunities for girls and women.

NOW, development experts say, that process has been reversed. Interviews around the region suggest that in these times of scarcity, job opportunities for women and educational opportunities for girls are narrowing again.

Even in South Korea, one of the richest of Asian countries, families are pulling their daughters out of cram schools so that they can devote the money to their sons.

"My older sister has four kids, three girls and then the youngest is a son," said Lee In Suk, a bubbly, self-confident 25-year-old woman working in Seoul for an advertising company. "Each child used to go to two or three after-school classes a week, but after the economic crisis hit, their Dad ordered the girls to drop out of everything but art classes. And since the boy will carry on the family name, he was forced to continue taking three classes, even though he didn't want to."

Miss Lee paused and looked a bit perplexed.

"It would be best if everyone could get opportunities," she said thoughtfully, "but I think it's right that a son gets the most attention."

Efrandi Bea is due to give birth in a few weeks. Mrs. Bea, 27, sat on a creaky wooden bed in her dirt-floor hut, decorated with a 1990 calendar and glossy advertisements ripped out of an Indonesian magazine, and said that despite her pregnancy she is eating nothing but bark and roots foraged in the woods.

Mrs. Bea has two girls, aged 10 and 4, and they are eating the same crude diet and appear malnourished. The problem is that when the family comes across more nutritious food, it goes elsewhere.

"When we get some meat, my husband eats it," Mrs. Bea explained. "My husband has to work hard, farming and fishing, so he takes the meat so he'll have energy."

That is a problem in many parts of Asia, for in times of difficulty even most food and medical care go to males. Some say this is because it is the men who do the hardest work and therefore need the most energy. Others say it is because of traditions that sons carry on the family name and family line, while daughters marry into other families and represent a familial dead end.

Scholars say that it is not that parents deliberately starve their daughters, but rather that they take the choicest bits of meat out of the pot and set them on the plate of the father or the eldest son. Or parents rush their sick son to the doctor, but when their daughter is ill they feel her forehead doubtfully and say, "Well, let's see how you are tomorrow."

As a result, in much of Asia girls die at a higher rate compared with boys than in most other parts of the world — whether rich areas like the United States or poor areas like sub-Saharan Africa. It is too soon to see whether this financial crisis will worsen the imbalance, but the risks are evident in households like Mrs. Bea's.

She and her family do have two chickens, six pigs and two goats, but they do not eat the livestock. Instead they sell the animals to get cash — a chicken sells for about \$1.25 — and Mrs. Bea's husband uses the cash himself.

He spends a total of about 20 cents a week buying tobacco and betel nuts. He rolls the tobacco up in scraps of paper to make his own cigarettes, and he chews the betel nuts, which produce a mild natural high and are widely consumed in rural areas of Asia.

"The pattern is for families to save resources for the fathers," said Dr. Angeruh Pekerti, the chairman of World Vision Indonesia, an aid organization. "When the fathers are asked why they smoke cigarettes instead of buying food for their hungry children, they say, 'We can always make more children.'"

Another consequence of the Asian financial crisis in the home may



Nicholas D. Kristof/The New York Times

Juliana Aoctpa, left, had to drop out of school because her uniform was too expensive — \$2.

simply be that a lot more women are getting beaten up every evening.

The evidence is anecdotal, but aid organizations and women themselves say the strains of financial hardship are leading to more violence at home.

THIS APPEARS most common not in middle class families but in the villages and urban slums that have been worst affected by the financial crisis.

"If I don't have enough food in the house, my husband hits me," said Ina Ako, who was selling chilies in the market in the Indonesian city of Waikabubak. "So I'm afraid of him."

"When there's no food," she mused sadly, "the men get very angry."

In the labor market, women have been particularly hard-hit in north Asian countries with a Confucian heritage, places like South Korea and Japan.

Yet the discrimination is not necessarily rooted in misogyny. In an odd way, it is in some cases based on a genuine desire to minimize the pain of

layoffs. "In a crisis, first of all we would have to fire the women," said Masamitsu Nishi, 47, the owner of a 40-employee construction company in Japan's Mie Prefecture. "We would retain men, because they are the pillar of household earnings."

"We would also fire young people, because they could always get another job," Mr. Nishi added. "But I would never want to dismiss the main income-earner, because that might destroy a whole family."

The best and brightest women graduates can still often get good jobs. A look at hiring records of 55 Japanese companies shows that the proportion of women being hired for fast-track "career" jobs this year is roughly the same as in 1990 or has even slightly increased.

Now as then, women are hired for about 15 percent of these career-track jobs, which offer excellent prospects for promotions but mean sacrificing one's family life for the company.

The greatest challenge in northeast Asia, therefore, is faced not by the most ambitious and talented women graduates who compete for the career track but by more ordinary people.

Science Cracks Tuberculosis Bacterium's Genetic Code

By Nicholas Wade
New York Times Service

NEW YORK — Scientists have broken the code of the tuberculosis bacterium, a germ that kills more people in the world than any other infectious agent.

The advance, published Thursday in the journal Nature, is the work of a team led by Dr. Stewart Cole, a tuberculosis expert at the Pasteur Institute in Paris, and Dr. Bart Barrell, a DNA sequencer at the Sanger Center near Cambridge, England.

The team succeeded in decoding the 4,411,529 chemical letters that constitute the genome, or DNA sequence, of Mycobacterium tuberculosis, as the microbe is known. Working out the structure of so enormous a DNA molecule lies at the edge of what is technically possible. About a dozen bacterial genomes have been sequenced since 1995, only one of them larger than that of tuberculosis.

This advance is likely to open up new approaches for developing drugs and vaccines against the microbe, and to reinvigorate research efforts in a difficult and slow moving field.

Tuberculosis is a deadly disease in the less developed world, killing 3 million people a year, according to the World Health Organization.

In the United States and other developed countries, where it has long been treatable with antibiotics, public health officials were concerned when drug-resistant strains emerged several years ago that the disease would become uncontrollable again. The outbreak of these novel forms has been contained, but tuberculosis is no longer regarded with complacency.

The bacterium is inhaled and is usually contained within the lungs by the body's immune system. There it may lurk harmlessly for years, until the immune system is weakened by age, stress or disease. Then the bacterium erupts, eating through the tissues of the lungs and occasional blood vessels, making the patient cough up blood.

Possession of the bacterium's DNA sequence is like acquiring an enemy's battle plan. The sequence encodes every genetic defense and stratagem the bacterium has acquired in the course of evolution.

Though full analysis of the sequence will take years, the Pasteur-Sanger Center team has already discerned that the sequence encodes about 4,000 separate genes and has divided how some of them may assist the microbe at different stages of its cunning life cycle.

Dr. Barry Bloom, a tuberculosis expert at the Albert Einstein College of Medicine in the Bronx, said the genome would have "a major effect in accelerating ongoing work in terms of identifying the genes required for virulence and targets for drugs and vaccines."

Dr. Lee Reichman, director of the National Tuberculosis Center in Newark, New Jersey, said he hoped the genome would stimulate drug companies to devise less draconian ways of treating the disease than the present six months of intensive drug therapy.

U.S. Looks at Carry-On Bag Limit

WASHINGTON — With incidents of unruly passengers on the rise, a House of Representatives committee weighed legislation Thursday to curb violence and limit carry-on bags on U.S. airlines.

Testimony from the Federal Aviation Administration, airline executives and representatives of flight and cabin-crew unions indicated that passengers are increasingly getting out of hand,

threatening everyone else aboard.

In 1994, the government received reports of 296 unruly passengers. In 1997, that number increased to 921. For the first three months of this year, there were 258 reports — 63 involving physical activity.

"At 30,000 feet, you don't have the same options you have on the ground," said Representative Leonard Boswell, Democrat of Iowa. "You can't pull over to the

side of the road and say, 'Walk.'"

Among the remedies under discussion by the House subcommittee on aviation are stricter penalties for passenger interference.

The panel also wants the Justice Department to be more aggressive in prosecuting unruly passengers.

Another problem — which witnesses said generates unruliness in passengers — is the increase in the number and size of carry-on bags.

Executives from United and Delta airlines said the bringing of excessive bags on board delays departures and, at times, creates friction among fellow passengers and presents a safety hazard.

Both airlines have recently restricted passengers to two carry-on bags, but they want Congress to issue a federal standard so that airlines will not use differing policies for competitive advantage.

Representative William Lipinski, Democrat of Illinois, has proposed limiting passengers to one bag, but airline executives said that two was a manageable number.

Air France Gets Half of Its Fleet Back in Service

Compiled by Our Staff From Dispatches

PARIS — About 50 percent of Air France planes were back in the air Thursday as the airline began restoring services after sealing an agreement that ended a crippling nine-day pilots' strike.

The airline reached an agreement with pilots early Wednesday over a wage dispute that had forced it to ground 75 percent of its flights.

On Thursday, Air France said 40 percent of its long-haul service had been restored along with more than 50 percent of its domestic and medium-haul flights. Service is expected to be at 80 percent Friday and fully restored by Monday.

The longest flights, including those to Hong Kong, Manila and Johannesburg, will be the last to be resumed.

(AFP/AP)

Oslo Air Strike Threat

OSLO (Reuters) — Norwegian airlines scrambled Thursday to set up shuttles to an airport in Sweden to limit disruption from a two-week controllers' strike planned to start Friday.

All commercial flights over southern Norway will be halted if the union carries out the strike threat. Some transatlantic flights passing over the region also might have to take a slight detour.

Belgium's national airline, Sabena, said Thursday it was testing a new service in which a passenger's luggage would be picked up from home or a hotel 24 hours in advance of a flight. (AP)

The Kremlin sent some of its finest treasures to the Tower of London on Thursday for an exhibition to celebrate the 300th anniversary of Peter the Great's visit to Britain. Many of the treasures had never left Moscow before.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe

City	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Algeria	26/29	17/22	27/30	18/24	28/31	19/25
Amsterdam	15/20	10/15	16/21	11/16	17/22	12/17
Antwerp	15/20	10/15	16/21	11/16	17/22	12/17
Athens	24/28	18/22	25/29	19/23	26/30	20/24
Berlin	17/22	12/17	18/23	13/18	19/24	14/19
Brussels	15/20	10/15	16/21	11/16	17/22	12/17
Buenos Aires	24/28	18/22	25/29	19/23	26/30	20/24
Cairo	28/32	22/26	29/33	23/27	30/34	24/28
Copenhagen	15/20	10/15	16/21	11/16	17/22	12/17
Dublin	15/20	10/15	16/21	11/16	17/22	12/17
Edinburgh	15/20	10/15	16/21	11/16	17/22	12/17
Frankfurt	15/20	10/15	16/21	11/16	17/22	12/17
Geneva	15/20	10/15	16/21	11/16	17/22	12/17
Helsinki	15/20	10/15	16/21	11/16	17/22	12/17
London	15/20	10/15	16/21	11/16	17/22	12/17
Madrid	24/28	18/22	25/29	19/23	26/30	20/24
Moscow	24/28	18/22	25/29	19/23	26/30	20/24
Munich	15/20	10/15	16/21	11/16	17/22	12/17
Nairobi	24/28	18/22	25/29	19/23	26/30	20/24
Oslo	24/28	18/22	25/29	19/23	26/30	20/24
Paris	15/20	10/15	16/21	11/16	17/22	12/17
Rangoon	24/28	18/22	25/29	19/23	26/30	20/24
Rio de Janeiro	24/28	18/22	25/29	19/23	26/30	20/24
Rome	15/20	10/15	16/21	11/16	17/22	12/17
Sao Paulo	24/28	18/22	25/29	19/23	26/30	20/24
Seoul	24/28	18/22	25/29	19/23	26/30	20/24
Shanghai	24/28	18/22	25/29	19/23	26/30	20/24
Singapore	24/28	18/22	25/29	19/23	26/30	20/24
Tokyo	24/28	18/22	25/29	19/23	26/30	20/24
Yokohama	24/28	18/22	25/29	19/23	26/30	20/24



Legend: sun, partly cloudy, cloudy, showers, thunderstorms, rain, snow, sleet.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - http://www.accuweather.com

North America

City	Today	High/Low	Tomorrow	High/Low	Day After	High/Low
Albuquerque	24/28	18/22	25/29	19/23	26/30	20/24
Anchorage	24/28	18/22	25/29	19/23	26/30	20/24
Atlanta	24/28	18/22	25/29	19/23	26/30	20/24
Boston	24/28	18/22	25/29	19/23	26/30	20/24
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Dallas	24/28	18/22	25/29	19/23	26/30	20/24
Denver	24/28	18/22	25/29	19/23	26/30	20/24
Detroit	24/28	18/22	25/29	19/23	26/30	20/24
Houston	24/28	18/22	25/29	19/23	26/30	20/24
Los Angeles	24/28	18/22	25/29	19/23	26/30	20/24
London	24/28	18/22	25/29	19/23	26/30	20/24
Manila	24/28	18/22	25/29	19/23	26/30	20/24
Moscow	24/28	18/22	25/29	19/23	26/30	20/24
New York	24/28	18/22	25/29	19/23	26/30	20/24
Orlando	24/28	18/22	25/29	19/23	26/30	20/24
Phoenix	24/28	18/22	25/29	19/23	26/30	20/24
Rio de Janeiro	24/28	18/22	25/29	19/23	26/30	20/24
Sao Paulo	24/28	18/22	25/29	19/23	26/30	20/24
Seoul	24/28	18/22	25/29	19/23	26/30	20/24
Singapore	24/28	18/22	25/29	19/23	26/30	20/24
Tokyo	24/28	18/22	25/29	19/23	26/30	20/24
Yokohama	24/28	18/22	25/29	19/23	26/30	20/24

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THE AMERICAS

Town Mourns a Murder: 'Hate Can Only Destroy'

A Suspect's Father Apologizes for Black's Death

By Carol Marie
New York Times Service

JASPER, Texas — The courthouse square seemed almost eerily quiet on this sweltering day. Few people milled about and those who did seemed hesitant to talk to outsiders about the horrible crime that had brought a swarm of TV trucks to the town and would bring the Reverend Jesse Jackson.

Lou Ann Reed, a cashier at the Quik Mart at the edge of town, said Wednesday that few talked of the brutal slaying of James Byrd Jr., 49, a black man dragged to death behind a pickup truck Sunday, and the three local white men who have been charged with the murder.

"It's a sad situation," said Ms. Reed, who is white. "I don't think anybody should be treated that way. I don't care what color they are. Not even an animal."

Asked if she had heard there might be whites in her town who, as is suspected of the men charged, sympathized with white supremacist groups, she only looked down. Asked if the killing surprised her, she said: "Nothing surprises me anymore."

Charged with murder are Lawrence Russell Brewer, 31, of Sulphur Springs, and Shawn Allen Berry and John William King, both 23, of Jasper. The three were held without bond in the Jasper County Jail, and the local prosecutors said Wednesday that they would seek the death penalty.

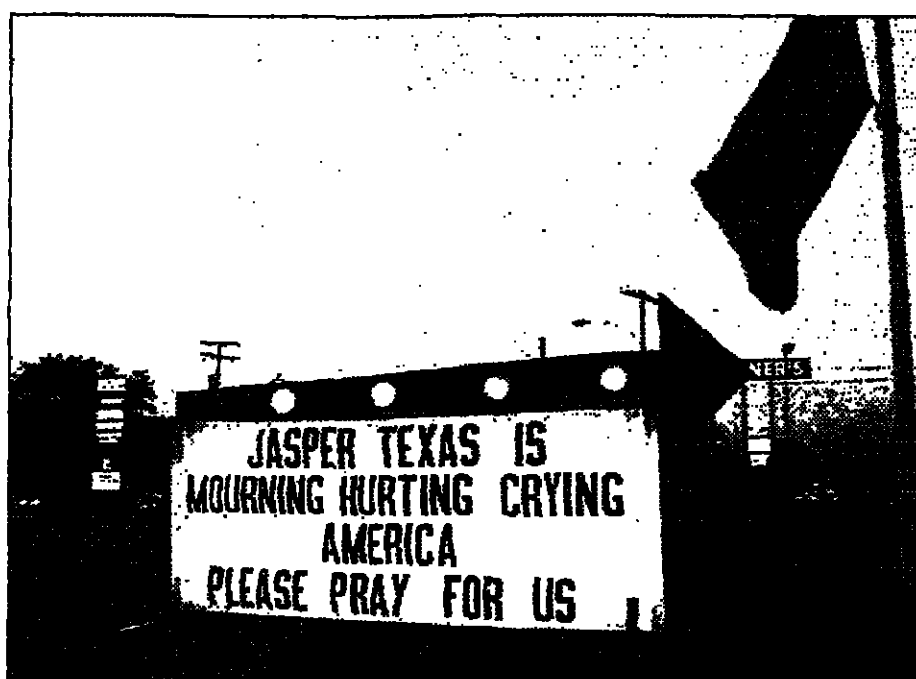
Mr. King's father, Ronald King, also a resident of Jasper, released a hand-written letter apologizing for his son's actions. He started it by writing: "My sympathy goes out to the Byrd family. There is no reason for a person to take the life of another, and to take it in

such a manner is beyond any kind of reasoning."

"It hurts me deeply to know that a boy I raised and considered to be the most loved boy I knew could find it in himself to take a life," the elder King added. "This deed cannot be undone, but I hope we can all find it our hearts to go forward in peace and with love for all. Let us find in our hearts love for our fellow man. Hate can only destroy. Again, I want to say I'm sorry."

In Washington, President Bill Clinton called the killing shocking and outrageous. He said the residents here "must join together across racial lines to demonstrate that an act of evil like this is not what this country is all about." He added, "I think we've all been touched by it, and I can only imagine that virtually everyone who lives there is in agony at this moment."

At the town's beautiful old



A sign on the main street in Jasper, Texas, asking for the nation's prayers.

courthouse, built in 1889, with a white gazebo in front, Neva Alexander, administrative assistant to the county judge, said there had been a lot of talk among the 8,000 residents of this town in East Texas.

"Everybody thinks it's horrible," she said. But, she added, she thinks it was an

isolated act of violence.

Many of the whites, as well as some blacks, seemed to believe the crime did not reflect a deeper problem.

But at an afternoon prayer meeting, held at the church the dead man's family attend and featuring the Reverend Jackson as a speaker, blacks

were less certain the murder was an isolated incident.

"It uncovered a lot of things that should have been uncovered before," said Herbert Spikes, 58, a Wal-Mart employee in Jasper. "Maybe it took this to bring it out. I believe it will get better now that it's exposed."

Tax Funds Can Go To Church Schools

By Ethan Bronner
New York Times Service

NEW YORK — In the most significant legal decision yet on the growing use of school vouchers, the Wisconsin Supreme Court has ruled that the city of Milwaukee could spend taxpayer money to send pupils to parochial or other religious schools.

Voting 4 to 2 Wednesday to overturn a lower-court ruling, the state's highest court said that the Milwaukee Parental Choice Program did not violate Wisconsin's existing ban on spending state funds for religious seminaries or the First Amendment's separation of church and state.

The court said the program "has a secular purpose" and "will not have the primary effect of advancing religion."

Civil libertarians, aghast at what they considered a radical departure in court interpretation of the First Amendment, and teachers' unions, lamenting the ruling as a blow to public schools, vowed an appeal to the U.S. Supreme Court. Some legal scholars said that the decision could form the basis of a test case for the high court on the extent to which government can support parental choice in using public money to buy a religious school education.

By the rules of Milwaukee's Parental Choice Program, begun in 1990 and the first of the country's voucher programs, families below a certain income level can send their children to the school of their choice — public or private, kindergarten through 12th grade — with tuition paid by the state government.

When religious schools were added to the list of choices in 1995, the plan was challenged by the civil libertarians and teachers' groups. Agreeing with them, a lower state court had limited the program to private, nonsectarian schools.

POLITICAL NOTES

House Wants Debtors to Pay Up

WASHINGTON — The House of Representatives has approved far-reaching legislation to tighten the bankruptcy laws for the first time in a generation, in an effort to discourage the growing practice of consumers' declaring personal bankruptcy to erase their debts.

The bill, which passed 306 to 118, "represents another example of this Congress' efforts to encourage individual responsibility," said Representative Scott McInnis, Republican of Colorado. "We will renotify people that they do need to be held accountable for their debts that they have accumulated."

The legislation would prohibit anyone earning more than the national median income for his or her family size — \$50,000 for a family of four, for example — from declaring personal bankruptcy under Chapter 7 laws, in which virtually all debts are forgiven. Those earning more than \$50,000 and deemed able to repay at least 20 percent within five years would have to adhere to a payment schedule under Chapter 13.

This summer, the Senate is to take up its own version, which would give bankruptcy judges more leeway to set repayment schedules. Administration officials have said that President Bill Clinton objects to using income to determine whether someone is eligible to file for bankruptcy. (NYT)

Attacking Starr by the Numbers

WASHINGTON — A former White House counsel, Jack Quinn, was on NBC, attacking the pace of the investigation of the independent counsel, Kenneth Starr, into President Clinton. "Ken Starr's been at this business 1,450 days," Mr. Quinn said, "longer than it took us to win World War II."

The same morning, William McDaniel, the lawyer for a White House aide, Sidney Blumenthal, was taking a jab at Mr. Starr on ABC. "You know," Mr. McDaniel said, "he's been in office longer than World War II lasted."

Soon after, the presidential counselor Paul Begala showed up on CNN, calling it "Day 1,400" of an investigation that has "lasted nearly as long as the Second World War."

The chorus offered a vivid illustration of the best-defense-is-a-good-offense approach taken by the White House since Mr. Starr expanded his inquiry in January to include Mr. Clinton's dealings with a White House intern, Monica Lewinsky.

The White House blames Mr. Starr for the duration of his investigation, noting that he has spent more than \$30 million in an inquiry initially focused on a failed two-decade-old land deal in Arkansas. Mr. Starr and his defenders place the responsibility squarely on the White House, noting that it has fought repeatedly to block his investigators.

"Both sides in effect are making valid points," said Bruce Yarnett, a former deputy to the Iran-contra prosecutor, Lawrence Walsh, whose investigation was similarly criticized by Republicans. Institutional factors drive special prosecutors "to be as thorough as they can be and then some. And that leads to a slow, more ponderous investigation." (WP)

Quote/Unquote

The chairman of the House Ways and Means Committee, Bill Archer, Republican of Texas, contending that approval of legislation to ease the so-called marriage penalty — the additional tax burden that falls on two married wage earners — is inevitable this year: "I don't think anybody can say it's supportable that two people when they're single pay an aggregate tax that is increased significantly just by virtue of their getting married. That's just wrong." (WP)

Away From Politics

• A woman who was head-butted and seriously injured by an elephant before its television appearance on "Live With Regis and Kathie Lee" received a \$1.65 million settlement in New York. Yelena Aleynikov, an English-Russian translator, wept after the settlement was announced. (AP)

• TWA control tower managers at New York's Kennedy International Airport made lewd comments and sexual propositions, fondled female colleagues and exposed themselves while on duty in the tower, according to two lawsuits filed in New York. (AP)

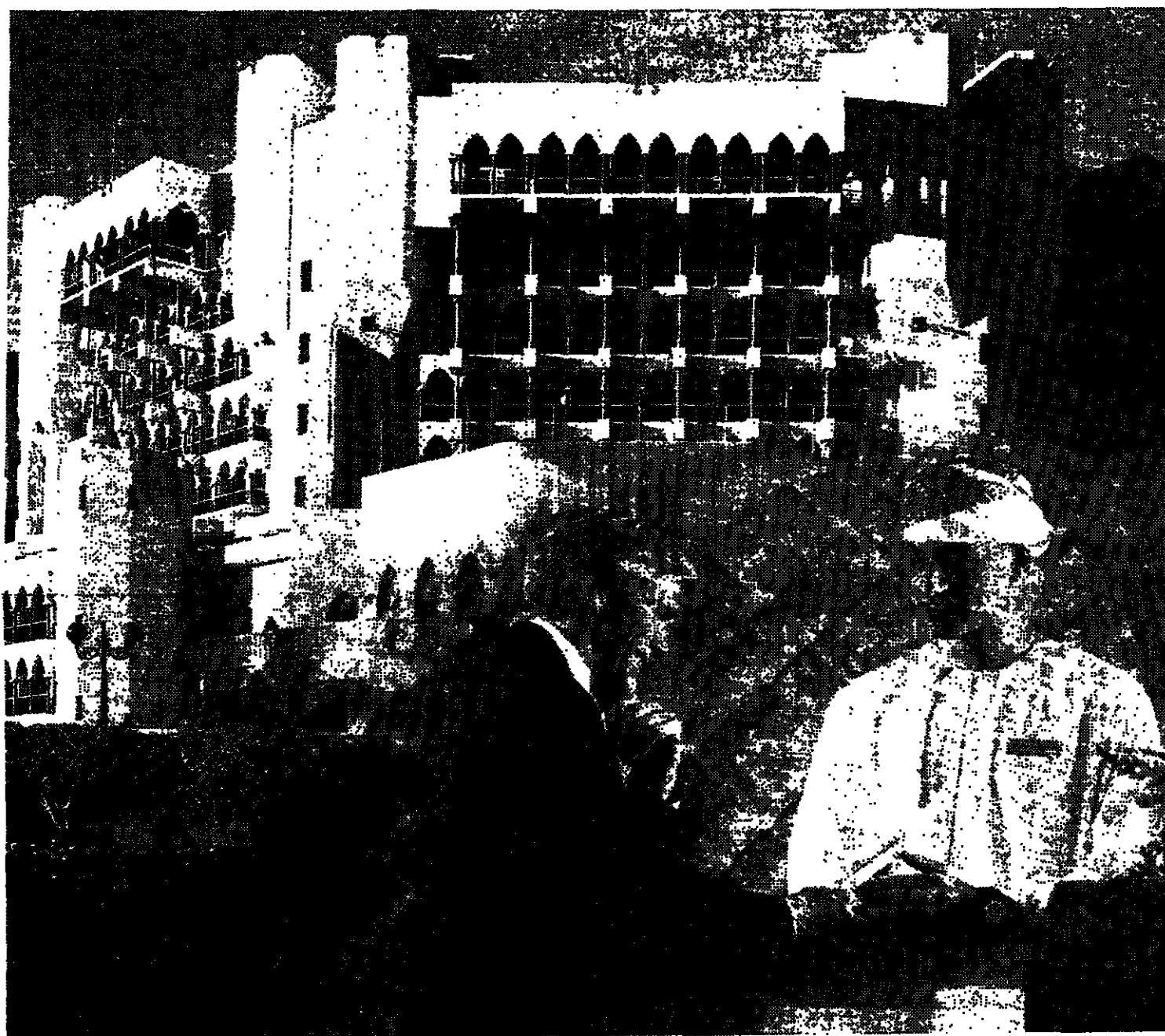
• Customs agents in New Jersey seized 1,300 pounds (600 kilograms) of cocaine after smugglers tried to bring it into the United States by ship, secreted in fiberglass barrels at the center of tightly wound large rolls of wrapping paper. Four people have been arrested so far for claiming and distributing the shipment, with a value of \$40 million. (NYT)

• A man dressed in women's clothing opened fire in a medical office in San Diego, killing his therapist and then himself. The police knew no motive but classified the case as murder and suicide. (AP)

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EUROPE

Economics Lesson for the French Public Sector

By Barry James
International Herald Tribune

PARIS — Management's stand in facing down pilots during the Air France strike that crumbled this week sent a strong message that the country's powerful nationalized industries can no longer hold themselves aloof from economic realities.

In the past, governments buckled in the face of worker protests at the state-owned airline, which absorbed 20 billion francs (\$3.3 billion) in public subsidies while rival — and privatized — British Airways was building itself into the world's most profitable carrier.

Only a few months ago, Air France's former president, Christian Blanc, had to resign after the government refused to

back his proposal to privatize the airline. Ceding to pressure from its Communist flank, the government has proposed to float only 20 percent of Air France and reserve a large bloc of those shares for employees.

But Lionel Jospin, the Socialist prime minister who will defend his vision of industrial society during a visit to the United States next week, told the National Assembly on Wednesday that public service should not be synonymous with inefficiency or lack of competitiveness.

The question now is whether the government can transfer the lesson of Air France to the many other state enterprises, such as the electricity monopoly

and the post office, that are facing market realities.

The pilots provided an insouciant example of the customer-comes-last attitude of many state workers. They waited until the eve of the World Cup soccer finals, an event for which the country has been preparing for five years and which was intended as a national showcase, to start their strike, claiming that a proposal to pay part of their salary in shares amounted to a pay cut.

The pilots evidently believed that the government would cede as previous administrations had ceded. Jean-Cyril Spinetta, who replaced Mr. Blanc, had a reputation as a conciliator. Transport Minister Jean-Claude Gayssot said early in the dispute that he was not

prepared to preside over any reduction in salary.

In the interests of social peace, governments have given way in virtually every major labor dispute in recent years — by truckers, rail workers and other groups. To the surprise of many, Mr. Jospin was made of sterner stuff. Political sources said he held his fire while the pilots made their first moves.

He obtained lists of passengers heading for the World Cup and discovered that most people were managing to do very nicely without Air France. He made sure that a wave of other strikes on the railroad and at Charles de Gaulle airport were unlikely to be more than a nuisance. And he carefully sounded out public opinion. This told him that not only did the strike enjoy little support among the public, but it was bitterly criticized by other unions and groups of workers at Air France.

Once he had all this information, Mr. Jospin made his position clear: The government fully supported the Air France management in seeking savings, and it was more concerned with the survival of Air France than rescuing the World Cup.

Armed with Mr. Jospin's display of firmness, Mr. Spinetta announced a special board meeting to reach "important decisions," which most observers took to mean that he would unilaterally impose a new pay scale on the pilots.

The pilots were outmaneuvered and their public relations were a disaster. Their strike crumbled overnight Tuesday after nine days. The airline was struggling Thursday to get back to normal, having lost more than 1 billion francs in earnings, according to the management. But management got what it wanted: an annual 500 million franc savings on the pilots' wage bill — just about enough to buy a single wide-bodied aircraft.

The amount may be symbolic, considering management's aim to invest 40 billion francs in new aircraft and hiring new crew. But the agreement marked a turning point, a realization perhaps that public service means not the strength of workers to stand up against the state, but the ability to attract and keep customers in the face of ruthless private competition.

Air France has a lot of catching up to do in Europe's deregulated skies. British Airways has captured a fifth of the French carrier's domestic market with its subsidiary Air Liberté, and now plans to operate high-speed trains from Paris to its hub at Heathrow. On international routes, Air France faces keen competition from carriers like Lufthansa of Germany, which pays its pilots up to 40 percent less.

And there is the question posed by Mr. Blanc: What makes a government a better owner of an airline than private enterprise, or any more capable of dealing with the challenges of airline deregulation?

BRIEFLY



GERMAN-POLISH TIES — Chancellor Helmut Kohl, right, and Prime Minister Jerzy Buzek knotting a rope Thursday as a symbol of friendship at the opening of a youth center in Krzyzowa, Poland.

Athens Stays Tough On Ankara's EU Bid

ATHENS — Greece rejected on Thursday plans by Britain to ease Turkey's anger at being snubbed by the European Union last year.

Foreign Minister Theodoros Pangalos of Greece said Turkey had done nothing but engage in "insults, blackmail and threats" against the EU since being left off a candidates' list at a summit meeting in Luxembourg in December.

"I don't see why a very successful summit like Luxembourg has to be revised or reformulated," he said.

Britain, which holds the rotating EU presidency and which will be host of the Union's mid-year summit meeting next week, has been seeking ways to improve the climate with Turkey.

Greece will block any move to change the EU's official position even if it meant being isolated from the 14 other nations in the bloc, Mr. Pangalos said. Turkey and Greece are longtime rivals in the Aegean and Cyprus.

40 Attacks on Rail Reported in Germany

BONN — German Railroad, which suffered its worst disaster in 50 years last week when 98 people were killed in a train crash, has been the target of 40 attacks by unknown assailants this

year, a newspaper reported Thursday. Quoting confidential Interior Ministry documents, Bild newspaper said the most serious attack took place in March when assailants placed concrete blocks on a switch.

A high-speed Inter-City Express train nearly derailed when it hit the obstruction, the paper said.

Interior Minister Manfred Kanther indirectly confirmed the report, though he criticized it as a "horror story" designed to frighten the public. He said the attacks cited had already been made public and that prosecutors were investigating.

The Bild report said many of the attacks clearly were politically motivated and were not merely the work of "youthful rowdies." (Reuters)

Prodi to Shun Talks Including Opposition

ROME — Prime Minister Romano Prodi will boycott a meeting of his European Parliament group next week because members of the leading Italian opposition party were allowed to join it, a Prodi aide said Thursday.

The European People's Party, a coalition of center-right political parties, let in 20 lawmakers Tuesday belonging to the conservative Forza Italia party of the media mogul Silvio Berlusconi.

Five other European leaders, including Chancellor Helmut Kohl of Germany and Prime Minister Jose Maria Aznar of Spain, are members of the European People's Party. (AP)

A Diplomatic Labyrinth on Kosovo

Experts Seek Path to Aid Ethnic Albanians and Not Flout Legal Curbs

By Joseph Fitchett
International Herald Tribune

PARIS — A key hurdle for any international military action in Kosovo is finding a rationale that would legitimize intervention — an intervention that would amount to a peacetime invasion, violating Serbian sovereignty over the province — U.S. and European diplomats say.

Trampling on international law could seem a small price to pay for determined action intended to save lives and prevent bloodshed from escalating — "like a legal argument while a patient is dying," a diplomat said.

But the United States and other countries weighing intervention are intensively consulting about what grounds can be invoked to promote political support, but would not open the door to abuses in future incidents.

"A bad precedent can be bad in either of two ways: providing cover for interventions such as Russia sending troops into an ex-Soviet state or creating expectations that the West will come riding over the horizon every time there's turmoil somewhere," said a French military planner.

If the Clinton administration musters the political will, a way to package its actions can always be found: "Coming up with a formula is what we do for a living," a U.S. ambassador said.

But he and other diplomats said that there was still no clear consensus about the right legal framework for an intervention in Kosovo, a situation that differs radically from the circumstances

in Bosnia, an internationally recognized state that sought outside help.

In the case of Kosovo, both Belgrade and Western governments want to avoid using Bosnia as a precedent. Belgrade says that Kosovo is an internal matter, and Western governments want to avoid setting an example of recognizing self-determination and fostering further ethnic splintering in the Balkans.

In other words, NATO governments want a justification for armed intervention that does not destroy Belgrade's sovereignty in Kosovo, a German diplomat said.

"U.S. officials are particularly worried that acceptance of an independent 'Kosovo' would destroy the Dayton agreement in Bosnia, which is based on integration, not separation," according to Warren Zimmerman, a former U.S. ambassador to Yugoslavia.

Seeking a way out of this bind as NATO allies gird themselves for still undefined action, diplomats cited four possibilities currently being pursued or explored as a basis for intervention:

• A UN Security Council resolution authorizing the use of force. This would satisfy every allied government but faces opposition by Russia and perhaps by China.

• A call by Albania and Macedonia for outside help so they can defend themselves against the destabilizing flow of refugees from neighboring Kosovo. Self-defense is enshrined in the UN Charter, a higher authority than the Security Council, but these two countries, now at least, would be seeking preemptive self-defense against a worsen-

ing problem — a case without precedent.

• A claim by the United States and its allies that Kosovo, once embroiled in combat, would come under a peacekeeping mandate that could be interpreted to include all of former Yugoslavia. This argument would rely heavily on an ultralegalistic reading of the Dayton peace accords and previous UN resolutions. It would also face opposition from Serbia, a party to the Dayton accords, which claims Kosovo as integral part of its territory and rejects any outside intervention.

• A decision to make ethnic cleansing an international crime and thus legitimize outside intervention to halt it. "We're this close to reaching that conclusion," according to a U.S. official, who nearly touched his thumb and forefinger. For this approach to jell in time to save Kosovo, Washington would probably have to take a bold lead in branding ethnic cleansing a danger to international order and assembling a coalition to take action.

Publicly, American officials have been prepared to discuss only one option: a Security Council resolution authorizing the use of "all necessary means" to restore calm in Kosovo and recreate conditions for political dialogue about the province's future.

Specific UN approval has also been specified as a requirement for their military cooperation by France, Germany and other allies. But Moscow has publicly opposed the use of force in Kosovo, a stance that portends a Russian veto in the Security Council.

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ASIA/PACIFIC

For Pakistan's Poor, Atomic Program Is a New Burden

By John Ward Anderson
Washington Post Staff Writer

ISLAMABAD — With Pakistan facing bankruptcy because of international sanctions resulting from its nuclear weapons program, and also a likely rise of spending in a new arms race with India, leaders have asked their countrymen to do their patriotic duty and "eat grass" so money will be available for national security.

But in a country rife with corruption, where politicians traditionally line their own pockets instead of funding programs for the poor and illiterate, less affluent Pakistanis say those leaders should first chop on a little grass themselves.

Take, for instance, Prime Minister Nawaz Sharif, who paid an equivalent of \$58.26 in income taxes for 1994-95, the last tax year for which information is available.

His family business, the Itefaq Group, is Pakistan's fourth largest industrial concern, worth \$217 million. This is 4,000 percent more than its value of \$5.4 million when Mr.

Sharif won his first major office 10 years ago.

Or take the case of the opposition leader and former prime minister, Benazir Bhutto and her husband, Asif Ali Zardari.

They paid \$679.41 in income taxes in 1996-97. On a financial disclosure form, the two reported they had seven bank accounts in Pakistan. But a court in Lahore recently discovered 46 more, while Pakistani and European investigators found 29 foreign accounts, including 17 totaling at least \$100 million frozen by Switzerland.

"The government wants us to further tighten our belt," said Feroz Din, a construction worker in Karachi, tears in his eyes. "Surely we will do that, but only under our necks."

"Let's see if the top people also eat grass," said another worker, Nour Mohammed, echoing the phrase made famous in 1965 by Prime Minister Zulfikar Ali Bhutto, Benazir Bhutto's father.

The elder Bhutto had said Pakistanis "will eat grass and leaves" to pay for a nuclear bomb if

India built one first.

The vow took on new relevance — and came in for frequent repetition by top politicians — when India shocked the world by conducting five nuclear tests on May 11 and 13. Pakistan then followed suit with tests of its own on May 28 and 30.

Even though the Clinton administration warned Pakistan it would be subject to the same Congress-mandated economic sanctions that had been slapped on India, Prime Minister Sharif ordered the tests — and sanctions were indeed imposed.

Financial analysts and senior government officials here say that debt-ridden Pakistan now faces financial collapse, prompting governmental calls for austerity and reactions that the pampered, corrupt political establishment should shoulder a greater share of the burden.

"Now, Mr. Sharif is exhorting everyone to make sacrifices," The Friday Times said in an editorial. "But the real question is: Will Mr. Sharif return the billions of rupees in defaulted loans and taxes which he

owes the exchequer before he asks us to empty our pockets for the 'national cause'?"

The editorial referred to another power perquisite that has fueled scandals here for years and brought the country's highly politicized banking system to the brink of collapse: Many political leaders receive bank loans that they refuse to repay.

In fact, before his party won reelection last year, Mr. Sharif and two top assistants — the home minister and the so-called accountability czar — together defaulted on loans of \$107 million. Their spokesmen say they were forced into default for political reasons by the old Bhutto administration and that all loans are now current.

Benazir Bhutto claims that allegations that her family plundered the national treasury are false and are a smear by Mr. Sharif.

Whatever the truth, the spectacle of Pakistan's top politicians arguing about their unexplained millions while asking the impoverished masses to get by with less has inspired outrage.

"Under the nuclear cover, the nation is now being asked to foot the bill for the princely lifestyles of officials and ruling politicians," said Anis Khan, an official with United Bank Ltd. "I will trust Nawaz Sharif if his family returns all they owe to the banks and tax authorities in this country."

Numerous analysts said that neither the government nor the populace could afford an arms race and the ban on foreign aid and loans called for by the United States and other countries.

About 30 percent of Pakistan's 140 million citizens live in poverty, with a typical worker making the equivalent of \$460 a year.

"The atom bomb may be good for the country, but we didn't have a single drop of water in the last four days," said Kishwar Hussain, whose Karachi neighborhood has faced a water shortage this year.

Only one in 100 people in Pakistan pays taxes on their incomes. About 70 percent of the 314 members of the National Assembly and Senate paid no income tax in 1994-95.



Madeleine Albright defending nuclear weapons accords in a Washington speech.

Pakistan Bars Further Tests

It Joins India in 'Confidence-Building' Moratorium

By Kenneth J. Cooper
Washington Post Staff Writer

NEW DELHI — Pakistan on Thursday announced a moratorium on further nuclear tests, joining India in calling for a halt to underground detonations that have prompted international condemnation of both countries.

The announcement by the Pakistani Foreign Ministry signaled an easing of regional tensions after India and Pakistan recently conducted a separate series of nuclear tests.

"The government of Pakistan has repeatedly stated that it does not wish to enter into an arms race with India," a Foreign Ministry statement said. "It is in this context that the government of Pakistan has decided to announce a unilateral moratorium on nuclear testing."

The statement called

Pakistan's moratorium a "confidence-building measure at the regional level." Since conducting what it said were six nuclear tests May 28 and May 30, the government of Prime Minister Nawaz Sharif had avoided saying that it would detonate no more devices.

India announced a similar moratorium after exploding five nuclear devices on May 11 and May 13, that nation's first such tests in 24 years. Pakistan's testing in response to India's was intended to match the total number that its larger rival has undertaken in its history.

In recent weeks, both nations have stated a willingness to resume bilateral talks that were suspended last year over the disputed Himalayan territory of Kashmir, which has now clearly emerged as the likeliest nuclear flash point in the world.

Since they became independent from British colonial rule in August 1947, India and Pakistan have fought two wars over Kashmir, the last in 1965.

Outside mediation by the United Nations, Japan or another party remains unlikely because of adamant opposition from New Delhi, which insists that the territorial dispute remain a bilateral issue. In 1972, India and Pakistan agreed to reach a bilateral settlement on Kashmir unless both agreed to accept a different approach.

While Pakistan welcomed an announced plan by the UN secretary-general, Kofi Annan, to send an envoy to the Indian subcontinent to discuss disputes between the two nations, India has firmly rejected any such intervention.

"There is no place for third-party mediation on the matter," an Indian Foreign Ministry spokesman said.

London Talks Are Set

Foreign ministers from four of the UN Security Council's five permanent member states — Britain, France, the United States and Russia — will be joined by

Germany, Canada, Italy and Japan at a meeting Friday in London devoted to the crisis on the Subcontinent and the wider risks it poses to world peace, Reuters reported.

British officials said the ministers would be joined by representatives of China, the fifth nuclear weapon state, and from Argentina, Brazil, South Africa, Ukraine and the Philippines.

Argentina, Brazil, South Africa and Ukraine have all renounced nuclear weapons in the last decade. The Philippines will represent Asian countries concerned over regional tension.

Albright Backs Pact

Thomas W. Lippman of the Washington Post reported from Washington.

Secretary of State Madeleine Albright has dismissed as "dangerous nonsense" the criticism of international arms control agreements that was touched off by last month's nuclear weapons tests in India and Pakistan.

Those tests inspired conservatives in Congress and defense hawks to challenge the relevance of the Comprehensive Test Ban Treaty, which is awaiting Senate ratification, and to call for scrapping the 1972 Anti-Ballistic Missile Treaty to permit development of a national defense against ballistic missiles.

But Mrs. Albright said those agreements and other cornerstones of the international arms control regime should not be abandoned because two countries defied the global trend away from nuclear weapons.

"The Indian and Pakistani tests dealt a blow to the non-proliferation regime," Mrs. Albright said at a forum on the South Asian tests sponsored by the Henry L. Stimson Center in Washington. "But let me be clear: Those senseless blasts beneath the ground do not, as some suggest, discredit that regime. To the contrary, they illustrate its logic and its necessity."

Clinton Widens Defense of China Visit

Citing 'Constructive Engagement,' He Acts to Counter Critics in Congress

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton issued an impassioned defense of his policy of "constructive engagement" with China on Thursday, clearly hoping to prevent congressional criticism from overshadowing the first trip by a U.S. president to China in this decade.

Describing the importance of the emerging U.S.-China relationship in more-sweeping terms than he has used before, Mr. Clinton said, "That relationship will, in large measure, help to determine whether the new century is one of security, peace and prosperity for the American people."

He said the United States was seeking to craft an approach to China that was more "principled and pragmatic" than either an effort to isolate and contain the country, as some in Congress advocate, or to rely solely on trade as a lever to open it up to democracy.

"Seeking to isolate China

is clearly unworkable," he said in a 30-minute speech to the National Geographic Society. "We would succeed instead in isolating ourselves and our own policy."

Mr. Clinton defended himself on two matters that have provoked many in Congress to demand that he delay the trip: His plan to visit Tiananmen Square, near where Chinese troops massacred hundreds of democracy activists in June 1989, and his administration's waiver to permit a U.S. satellite to be launched by a Chinese rocket.

As he had before, he said he did not want to argue with another nation's protocol. To visit Tiananmen, he said, did not in any way "absolve the Chinese government of its responsibility for the terrible killings."

"But in the end," he said, "if the choice is between making a symbolic point and making a real difference, I choose to make the difference. And when it comes to advancing human rights and religious freedom, dealing direct-

ly and speaking honestly to the Chinese is clearly the best way to make a difference."

Regarding his waiver this year to allow Chinese launching of a U.S. satellite, despite Justice Department objections, he said, "It is important for every American to understand that there are strict safeguards, including a Department of Defense plan for each launch, to prevent any assistance to China's missile programs."

Amid charges that the administration decision was influenced by large campaign donations by the chief executive of the satellite company, Loral Space & Communications Ltd., 152 members of Congress had asked Mr. Clinton to postpone his visit while investigations of the matter continued.

He also said that China was playing a vital role in seeking to prevent a nuclear arms race by India and Pakistan.

The speech had been planned almost as long as Mr. Clinton's trip, which begins June 25.

But it also "may have been

in response to some of the critics" in Congress, said a White House aide who asked not to be named. He called the speech "a first step in an effort to address that kind of criticism."

More than in previous speeches, Mr. Clinton conveyed a sense that, for all the reservations about Chinese behavior, the United States could not hope to pursue effectively its vital goals in such areas as trade, security and environmental protection without the constructive cooperation of Beijing.

He said he would press President Jiang Jemin and other Chinese leaders on human rights and religious freedom, call for the releases of more dissidents and ask for "concrete steps to preserve Tibet's cultural, linguistic and religious heritage."

Closing the Book on Lewinsky et al

Beijing Orders Stores to Remove Work on Clinton's 'Strong Drives'

By Elisabeth Rosenthal
New York Times Service

BEIJING — In a seeming attempt to spare President Bill Clinton embarrassment on his state visit, officials ordered bookstores this week to remove from their shelves a popular new book that details the sex scandals surrounding the American leader.

The book, "Clinton: A President of Strong Drives," is a glossy 302-page quick-publish quick-read issued here weeks ago by the Xueyuan Publishing House in the hopes of capitalizing on Mr. Clinton's visit, which begins June 25.

Based largely on American news reports, the first five chapters delve into Mr. Clinton's reported encounters with Gennifer Flowers, who said she had an affair with Mr. Clinton; Paula Corbin Jones, a former Arkansas employee who filed a sexual-harassment suit against him; and Monica Lewinsky, a former White House intern.

The last five chapters explore less-titillating episodes of the president's life, like the death of his father before he was born and the standoff with Iraq last winter.

And just as Chinese readers receive the full flavor of recent cases, the book includes 30 pages of color photographs like happy pictures of the Clintons holding hands, photographs of women who have been linked to Mr. Clinton and a shot of his famous hug with Ms. Lewinsky on the White House lawn.

Thirty-thousand copies of the book were printed and, when the State Press and Publications Department ordered it off the shelves, it had almost sold out.

The Chinese have both admiration for Mr. Clinton and, as China has opened up, a titillating interest in things sexual, as well.

Also, after decades with little to read, Chinese are fond of quick biographies and lively narratives. An account of the mass suicide by members of the Heaven's Gate cult in California was popular this year.

Although Chinese censorship has loosened considerably, it was perhaps predictable that Chinese officials would find the latest look at the Clinton sex reports too distasteful. The private lives of Chinese leaders are carefully guarded, so that citizens generally have little idea how many children they have, let alone the particulars of any affairs.

In fact the book presents a far more sympathetic look at Mr. Clinton's private life than he has enjoyed in similar works in the United States.

Calling Mr. Clinton "young, promising and elegant," the book says, "He has achieved a lot." It accuses the American news media of "fabricating news" and the Republican Party of "criticizing the weak points and personal blemishes of its rivals just for the sake of returning to power."

A portrait of Mr. Clinton with outstretched hands carries the admiring caption, "No wonder so many women have claimed to have had affairs with him."

BRIEFLY



DEADLY WIND — An Indian woman dragging her cot back home Thursday in the western state of Gujarat, where a cyclone the day before killed 530.

Taleban Yields on Food Aid

UNITED NATIONS, New York — The Taleban government in Afghanistan has allowed a critical shipment of food to be made to a front-line region that is cut off from supplies and has been facing shortages for nearly a year, the United Nations World Food Program said Thursday.

The shipment will go to about 200,000 people in the Hazarajat area and Ghorband Valley of central Afghanistan. Fighting there is going on mostly between the Taleban and a local Shiite army, the Hezbe-Wahdat, which the Taleban says is being armed by Iran.

Taleban officials had barred aid because of fears that the bulk of it would be diverted to enemy troops. In an attempt to assuage these fears, the World Food Program organized a plan to bring trucks to the front line, from where they were escorted by either one of the opposing armies into territories under its control. (NYT)

2 Communist Parties in Accord

TOKYO — The Chinese and Japanese Communist Parties have agreed to normalize relations more than 30 years after they broke ties in an ideological dispute, Japanese party officials said Thursday.

The two parties confirmed their agreement in a meeting in Beijing, the Japanese Communist Party leader, Tetsuzo Fuwa, said in Tokyo.

He is to visit China as soon as possible, party officials said. The visit will be the first by a party leader since 1966, when Kenji Miyamoto met with Mao Zedong in Beijing in a failed attempt to agree on a joint communiqué on relations between the two parties.

The Japanese broke ties after party officials were attacked by Chinese Red Guards at Beijing's airport in 1967. (Reuters)

Japan's Fertility Rate Declines

TOKYO — Japan's fertility rate declined to a record low last year, the government announced Thursday, raising fears about the consequences for a rapidly aging society.

The average fertility rate for Japanese women fell to 1.39 in 1997, according to the Ministry of Health and Welfare. It said the previous low was 1.42 in 1995.

The fertility rate is the number of children each woman bears on average in her lifetime. In theory, a rate of about 2.1 is needed to maintain a population at a stable level.

The government and demographic experts fear that in the mid-21st century, Japan will lack enough young workers to subsidize the social welfare system for aged and retired workers. (Reuters)

Cambodia to Let Prince Run

PHNOM PENH — Cambodia's ousted co-prime minister, Prince Norodom Ranariddh, has been cleared to run in elections in July, even though he has failed to reintegrate his fighters into the army, a senior election official said Thursday.

"Tomorrow we will announce officially the 39 parties eligible to participate in the election and those will include" his party, said the National Electoral Commission deputy chairman, Nov Kasie. (Reuters)

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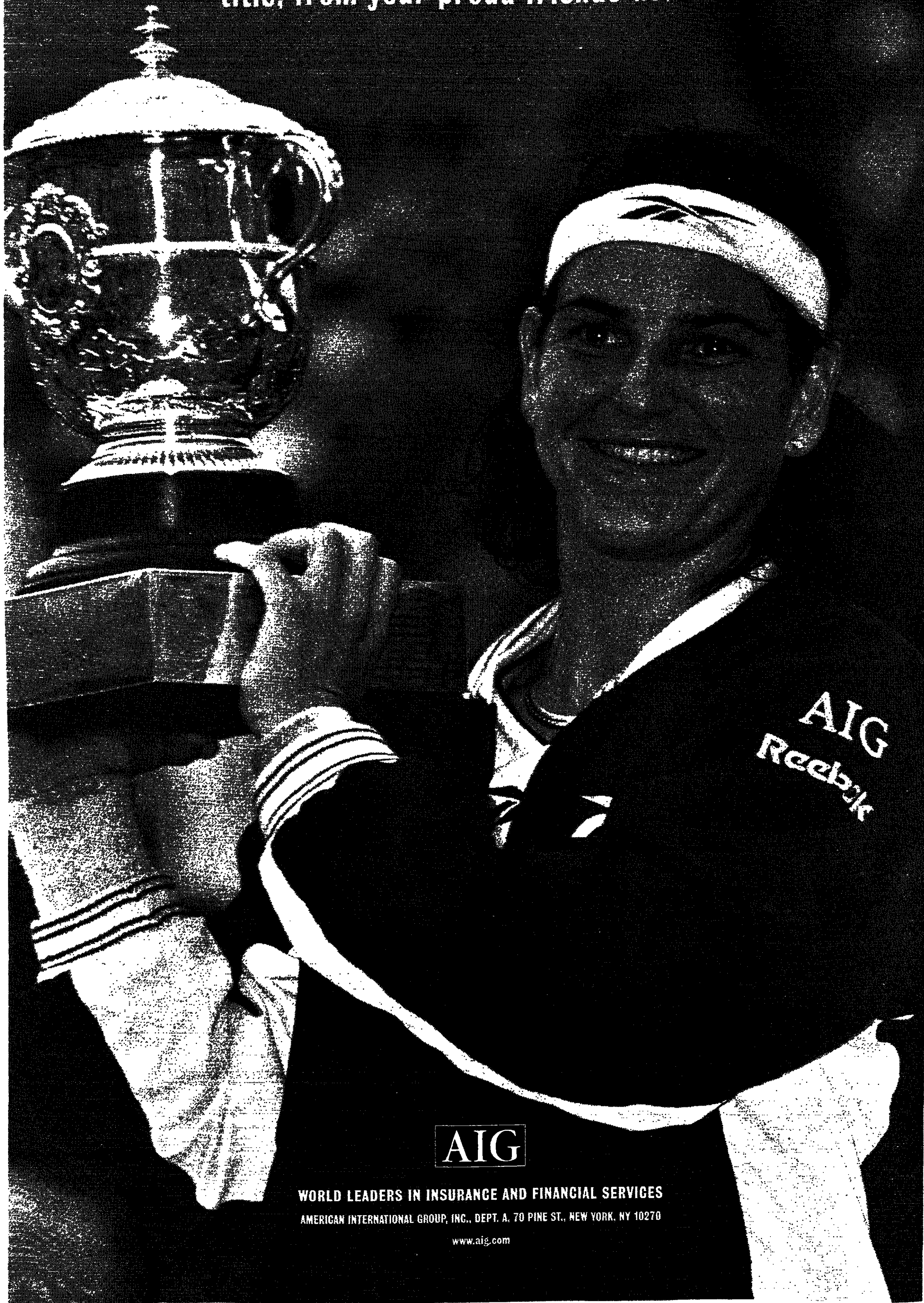
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INTERNATIONAL

Apartheid's Many Lethal Gadgets

Witnesses Describe Chemical and Biological Arms for Assassins

By Suzanne Daley
New York Times Service

CAPE TOWN, South Africa — Screwdrivers held tiny poison-filled cylinders, rings had spring-loaded compartments hiding deadly powders, vials of whisky were laced with the toxic herbicide paraquat and even peppermints were spiked with botulism.

During testimony before the Truth and Reconciliation Commission this week, a parade of witnesses has made it clear that undetectable ways of murdering political opponents were a high priority of a chemical and biological warfare campaign during the apartheid era.

Millions of dollars were spent on developing James Bond-type gadgets, though sometimes the results seemed more in keeping with the bumbling Maxwell Smart. The head of one front company that the military used described accidentally poisoning himself when he showed an operative how the ring worked.

And several notable assassination efforts apparently failed miserably. In one case, not enough of a toxic substance was poured into five pairs of the victim's underwear. In another case, a poisoned shirt was borrowed from the intended victim, who escaped injury while a friend who wore the shirt died.

The commission heard testimony indicating that such poisoned gadgets appeared to be distributed in volume to

agents working for the government. They were among an arsenal of techniques used to brutalize anti-apartheid activists.

The exact extent of South Africa's chemical and biological program and whether it included weapons of mass destruction remains unclear. But the hearings have offered a compelling and sometimes detailed glimpse into the program, code-named Project B or Project Coast and headed by Wouter Basson, a cardiologist who was once the personal doctor to a former president, P. W. Botha. Dr. Basson is now facing an array of criminal charges including fraud and theft.

One witness, Jan Lourens, a bio-chemist who in the late 1980s headed a company named Protechnik, said his company began by making protective clothing to withstand chemical attacks but soon developed a sideline bringing out tailor-made gadgetry including umbrellas with poisoned tips, soap boxes packed with explosives and a walking stick that could fire poisonous pellets.

"I was never under any illusion that it was for any purpose other than assassinating human beings," he said.

Earlier, Mr. Lourens had worked for a different front company that was trying to make substances to reduce the fertility and virility of blacks. He said he had been told the drugs would be for use among women who were fighting against the Angolan government and were becoming pregnant too often, a story that he said he found implausible.

Pretoria was supporting the rebels. Nevertheless, Mr. Lourens said his laboratory took on the project, experimenting on animals.

Another witness, Schalk van Rensburg, who worked at another of the front companies, Rooideplaat Research Laboratory, said it had produced chocolates and cigarettes infected with anthrax, beer bottles containing botulism and sugar laced with salmonella. Included in a document titled "list of sales" were 32 bottles of cholera culture.

The hearings have also explored what some commissioners have described as the underlying criminality of the projects, which apparently cost millions of dollars and ended up making millions of some of the people in charge.

Some witnesses have said they produced drugs usually used for recreational purposes, known as Ecstasy and Mandrax. They said they suspected that members of the military simply sold the drugs.

Dr. Basson was arrested in January 1997 when he was caught with about \$20,000 worth of Ecstasy tablets. He has since been charged with theft and fraud charges involving the disappearance of about \$6 million in government funds.

Search for a Selective Germ

The apartheid government investigated the possibility of developing bacteria that would selectively kill or injure black people but leave white people unharmed. The Associated Press reported Thursday from Cape Town, quoting a scientist's testimony.

The scientist, Daan Goosen, described for the Truth and Reconciliation Commission a search for an unidentified European scientist alleged to have known about a bacterium that would only harm blacks. The information came from the military attaché at the South African Embassy in London in 1983 or 1984, Mr. Goosen said.

He said that readings of scientific literature and journals had led him to believe it could be a feasible project, but he backed out of a planned trip to London to find the scientist, fearing it could be a trap.

Selectively destructive bacteria could have been used domestically as a threat to keep the white government in power, he said.

Mr. Goosen, who headed a covert military research laboratory under Dr. Basson's control, acknowledged that in hindsight his work was not justifiable. But he said the prospect of keeping order amid an increasingly resistant black population during apartheid's most turbulent time gave impetus to Dr. Basson's work.

"I was not thinking rationally at the time," he said. "Today I know I was wrong. You can't do that to people; it is just not justifiable."



Wouter Basson, who headed the arms projects, at hearings in Cape Town.

BRIEFLY

Foreigners Fleeing Guinea-Bissau Strife

LISBON — Foreigners fleeing a coup attempt in the West African state of Guinea-Bissau began boarding a Portuguese merchant ship on Thursday as mortar bombs fell nearby.

Firing continued, meanwhile, in the capital, Bissau, where army rebels are fighting government troops.

A Portuguese government spokesman said in Lisbon that the embarkation of about 1,000 foreigners on the vessel could take some time.

But as the evacuation continued, the Portuguese news agency Lusa reported that mortar shells, presumably fired from rebel positions, fell into the sea only a few hundred meters from the ship, causing panic among the waiting passengers. (Reuters)

Mayor of Tehran Challenges Judge

TEHRAN — The mayor of Tehran challenged a judge Thursday to produce evidence of his alleged corruption, telling the court he had not pocketed any public money.

Gholanhossein Karbaschi, who pleaded innocent on the first day of his trial Sunday, was accused by the judge Thursday of embezzling money from the municipality to buy a building for a defunct newspaper of which

he was the managing editor.

"If I am a thief, say it," Mr. Karbaschi said. "If I have received bribes, say from whom I received them. In the last session the charges were cooperation in embezzlement, but now I'm accused of embezzling money. Sir, if I am a thief, please tell me where I stole from."

Mr. Karbaschi's trial is widely seen as an attempt by hard-line elements in the ruling clergy to topple key officials allied with President Mohammed Khatami, a moderate. Mr. Karbaschi ran Mr. Khatami's election campaign last year. (AP)

Ortega Must Face Sex Abuse Counts

MANAGUA — Daniel Ortega Saavedra, former president of Nicaragua, must appear in court to face charges that he raped and abused his stepdaughter, a judge ruled Wednesday. Attorneys for Mr. Ortega, a leader of the leftist Sandinista party, claim he has immunity as a deputy in the National Legislature. (AP)

For the Record

A judge in Puente Grande, Mexico, denied bail to two suspected Mexican drug lords facing a minor money-laundering offense, keeping them in jail while Mexico seeks to extradite them to the United States.

Train Bomb Kills 12 and Wounds 21 in Rural Algeria

Compiled by Our Staff From Dispatches

ALGIERS — A bomb exploded on a passenger train southwest of Algiers on Thursday, killing at least 12 people, the government security forces said.

Earlier, local newspapers said Muslim rebels shot and killed seven government militiamen in ambushes in Algeria, where at least two more civilians were killed by having their throats cut.

The government security forces, in a statement carried by the official Algerian press agency, APS, said the home-made bomb exploded at 8:50 A.M. when the train was passing Condeck hamlet in Ain Defla province, 130 kilometers (81 miles) southwest of Algiers.

They said 12 passengers were killed and 21 more wounded in the blast, 12 of them critically, according to an official provisional toll.

The statement did not say whether the bomb exploded underneath the train or inside it. It gave no word about who planted the bomb.

The train attack Thursday brought to 117 the number of people killed in a week of violence in the region, according to different official tolls published in the press. The toll has not been confirmed.

In an incident reflecting the edgy mood among civilians, several bus passengers in Algiers were wounded Wednesday in a panic prompted by a bomb scare.

A boy jokingly tossed a plastic sack at a bus, and the passengers reacted in fear.

"Passengers hurled themselves to the ground through the bus windows out of fear of another carnage," said La Tribune.

In further violence, Muslim rebels were reported on Thursday to have killed seven pro-government militiamen in ambushes, bringing to at least 19 the number of militiamen reported killed in the past three days.

Rebels ambushed militia patrols on Tuesday and Wednesday, killing seven pro-government gunmen in Tizi-Ouzou area, 90 kilometers east of Algiers, and in the eastern province of Annaba, 240 kilometers away, according to Liberte daily.

Two civilians were killed by having their throats slashed at a roadblock erected by suspected rebels on Wednesday in Medea region, 70 kilometers south of Algiers, said Saout al Ahrar daily.

(Reuters, AFP)

Eritrean Aircraft Hit Ethiopia As Negotiators Press Mission

The Associated Press

ADDIS ABABA, Ethiopia — Eritrean aircraft bombed an Ethiopian town Thursday and ground fighting flared on two fronts as a Rwandan-U.S. team promoting a peace plan returned to the Ethiopian capital.

Eritrean helicopters and warplanes dropped at least eight bombs on the northeastern border town of Adigrat on Thursday evening. Two of the bombs struck an industrial-residential area in the town of 40,000, setting grain storage facilities on fire.

Witnesses said at least one person was killed and three wounded. An Ethiopian government spokeswoman said in Addis Ababa that women and children had been killed in the attack, but she had no more details.

Adigrat is about 20 kilometers (12 miles) southwest of Zala Ambessa, a

border town captured by Eritrean forces last week.

Ground clashes broke out Thursday in the region of Eritrea's crucial Red Sea port of Assab — an area that had not seen fighting before — and in the Yirga triangle area where the conflict began.

The Rwandan vice president and defense minister, Major General Paul Kagame, whose country has drafted a peace plan along with the United States, returned to Addis Ababa on Thursday. There was no indication whether the presence of General Kagame, who is Rwanda's de facto leader, indicated progress on the plan.

Ethiopia has already voiced support for the plan, which calls for Eritrea to pull back its troops to positions they held before fighting broke out. Eritrea has said the plan needs more work but has not clarified its objections.

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This commemoration shall serve as a showcase of what the Philippines has accomplished in its 100 years of existence as an independent and democratic nation.

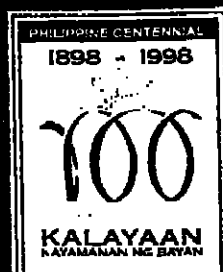
We have laid down the foundation for a period of unprecedented economic growth and social progress, and rekindled the sense of pride in being a Filipino.

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His Excellency

Fidel V. Ramos
President Fidel V. Ramos

Rekindle the
Filipino Spirit.



June 12, 1998
Philippine Centennial

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Soft on Pollution

In late 1996, a fed-up Carol Browner fined Smithfield Foods \$125 million for dumping hog wastes into a Virginia river. It was the biggest penalty ever levied by an administrator of the Environmental Protection Agency, and Smithfield was not the only target. It was also a rebuke to Virginia, which had failed to control Smithfield's behavior, and a warning to all other states that were not enforcing federal environmental laws.

Ms. Browner's message has not been clearly heard. A recent sampling of states by her internal auditors suggests widespread failure by local officials, and in some cases by regional EPA officials, to police America's clean air and clean water laws. New Mexico, for example, failed to inspect about half its major air polluters from 1990 to 1996. Bad-faith actions by the states could undermine the administration's good-faith efforts to give them more flexibility in carrying out the laws. Also, states that flout the law could become "pollution havens" for companies seeking to escape environmental costs, causing a shift in jobs from states that enforce the law.

Under present arrangements, Washington sets the rules of the road—detailed regulations governing the levels of pollutants that can be discharged into the air and water. The states are responsible for inspection and enforcement. As a practical matter, this is the best way to administer the law. The task of monitoring hundreds

of thousands of potential polluters nationwide is clearly beyond Washington's ability. But Ms. Browner can pressure the states if she wants to, tightening federal oversight and denying vital grant money to states that fail. In extreme cases, she can take control of a state's entire anti-pollution strategy.

Meanwhile, she needs to come down hard on some of her own people. The audits uncovered serious violations in several states where, for various reasons, the EPA has not delegated enforcement responsibilities.

The situation is particularly grave in the Pacific Northwest, where the agency's Seattle office governs anti-pollution efforts in states like Idaho and Alaska that have long been hostile to any kind of environmental regulation. In Idaho, for example, factories and cities have been systematically dumping sewage into the Boise River, right under the EPA's nose.

In the past, Ms. Browner has been reluctant to intervene with the states, in part because she thinks a cooperative approach works best. In addition, the EPA has long been a convenient target for conservative politicians, and in many states is no more popular than the Internal Revenue Service. But as Ms. Browner knows, this is not a popularity contest. The administration, not to mention Vice President Al Gore's reputation as an environmentalist, can only suffer if it fails to bring ornery states into line.

—THE NEW YORK TIMES

Stalling in Azerbaijan

When President Bill Clinton invited Azerbaijan's strongman ruler to the White House last summer, he opened himself to criticism that he was overlooking that nation's lack of democracy in deference to its oil wealth. Perhaps to deflect such criticism, the two presidents, Mr. Clinton and Heydar Aliyev, issued a joint statement in which Mr. Aliyev committed himself to "political pluralism" and "the holding of free and fair elections." Now, with the approval of a flawed election law back home, that commitment is open to question. How will Mr. Clinton respond?

Azerbaijan is one of three countries that emerged from the Soviet Union in the Caucasus region, wedged between the Black and Caspian Seas and among Russia, Turkey and Iran. All three have made their claims on U.S. attention: Armenia, because of its large diaspora population in America; Georgia, because of its respected president, Eduard Shevardnadze, and its strides toward democratic development; and Azerbaijan, because its Caspian Sea reserves have sparked a modern-day oil rush. Unfortunately, neither free market reform nor political development has kept pace with the establishment of oil company branch offices in Baku.

Mr. Aliyev, who was Azerbaijan's Communist Party boss in Soviet days,

has kept a fairly tight rein on politics, television broadcasting and other aspects of society. Now, at age 75, he is expected to run for re-election in October. Opposition groups charge that the election law his supporters have approved will allow another unfair vote in what is becoming an Azeri tradition. The biggest concern is with the election commission, which will be dominated by Aliyev backers. The opposition argues that in such circumstances even the best law could be subverted, and a fair vote cannot be guaranteed. If no changes are made, the opposition now proposes to boycott the election.

As the two presidents agreed last summer, "democracy, economic reform and the observance of human rights play an essential role in ensuring Azerbaijan's continued stability." Oil wealth without governmental accountability is likely to lead to massive corruption and an embittered and impoverished population—not circumstances likely to further America's strategic goals in the region.

Opposition politicians believe that Mr. Aliyev still could be persuaded to uphold his August promise if Mr. Clinton made clear to him that good relations with the United States were at stake—and that the August statement was not just intended to save face.

—THE WASHINGTON POST

Big Bank Mergers

The wave of giant American bank mergers, which continued this week with the Norwest Corp.'s planned \$34 billion takeover of Wells Fargo, has mixed implications for the country's financial system and the civic well-being of many communities.

The mergers reflect pressures on banks to gain competitive strength in an era when they have been losing market share to investment banks in corporate lending and to mutual funds in the attraction of consumer savings. Mergers have also become more feasible because a presence on the local corner is less and less necessary as transactions by computer and ATM become easier and less costly.

It is argued that larger banks are safer because they are more diversified. Wells Fargo was once tied closely to the California economy, and thus vulnerable to that state's downturn earlier in this decade. Now, as part of a banking operation stretching across most of the West and Midwest, it will be less dependent on the fortunes of any one region.

But it is also true that as big banks get bigger and merge with each other, there are fewer players. That makes it more likely that a large financial blunder that affects most big banks, such as the widespread lending in the 1970s to less-developed countries that ended

up unable to pay their bills, may affect a much larger proportion of the financial system than would have been true in the past.

The effectiveness of banking regulation thus becomes more important than ever. Financial engineers have made it possible, through a wide variety of derivative securities, for banks to take on widely varying levels of risks. It is difficult for bank managers to monitor the risks and even harder for bank regulators to do so.

The newly merged bank will take the Wells Fargo name, and be based in San Francisco. That spares California the indignity of no longer having any major banks based in the state. That can be important because a bank's bosses are more likely to be sensitive to the needs of the regions where they live, and are more likely to have their banks support such local institutions as symphonies, museums and boys' clubs.

If mergers are well executed, they hold little threat to banking customers, who might even benefit from the combined institution being able to offer more services. But the threat, amply illustrated by some previous mergers, is that efforts to save money by making the combined company more efficient can backfire, causing service to suffer and customers to flee to competitors.

—THE NEW YORK TIMES

Hoping Together, Keeping Their Eyes on the Ball

By Flora Lewis

PARIS — The nearly worldwide passion for football has produced a torrent of attempted explanations, sociological, psychological, political and sometimes just silly. One thing sure is that billions of people do seem to care a great deal, so it must mean something.

FIFA, the international organizing body for the sport, has more members than the United Nations. National teams provoke the ultimate in patriotic allegiance. Big clubs do, too, even though some top players are bought by rival clubs and play under alien colors.

The World Cup, unlike America's baseball World Series, is indeed global, a competition for all continents and races. It enshrines a kind of power pyramid that has nothing to do with the way states usually weigh on each other.

In fact, it may be part of the attraction that this is one field where the single superpower must accept a humble rank. The United States will perhaps have to be satisfied that it managed to qualify among the 32 finalists vying for the world championship in France.

But not even the French, with their official allergy to Americanisms, have ever complained that the name of the

game is used for a different game in America. Americans call the global version soccer and are only beginning to become addicted. The French affectionately call it *le foot*.

Some argue, and it was the theme of the colossal street show staged in Paris Tuesday night before the first match on Wednesday, that love of football is a reflection and a symbol of our common humanity, an antidote to racism "in Technicolor," as well as a lesson in teamwork and the need to play by the rules. The late Albert Camus is quoted as saying, "All I know of morals I learned from football."

It has reached the point where French intellectuals are dripping disdain on what they consider old-fashioned intellectual disdain for something so popular, so pervasive, so classless.

Still, for women and other oddballs who don't appreciate the thrill and are fed up with the obsession, a couple of French television channels have promised "absolutely no foot" while the matches go on. They hope to attract whatever audience might be left over.

The appeal of the game arises on several levels. Children can play on the street or any old field, and even in isolated African towns or steamy Latin American slums. They can dream of fame and fortune as they idolize the stars who started just like them and soared to become world heroes.

The fine points of a pass, a feint, a prodigiously aimed kick offer topics for endless lively conversation in gloomy bars and dusty cafés where the everyday news is too dull or too dismal to enjoy.

But what has become so special about football is its offer to fans of belonging, of proclaiming an undeniable, indisputable identity in common with the players. Teams make the scores, but whole nations consider themselves victors—or valorous losers if need be, but still part of a great ambition.

People not only wave flags and dress in garish outfits to flaunt their support, they paint their faces in national colors to show that belonging is more important than who they are individually. Scottish fans, who poured into Paris for their team's opening match against Brazil, were furious when airport police demanded that they wash their

faces so that their identities could be checked against their passport photos.

For the most part, the crowds are joyous and good-humored, accepting the identity assertion of others as just as natural as their own.

It has been suggested that the will to win, to prove group supremacy, expresses a macho urge that can be a substitute for the old urge to fight wars so as to show who is on top.

But there have been real football wars, transforming the emotion of sport into violence and destruction. The English, particularly, have come to use the incentive of competition as an excuse to indulge in hate talk and prejudice that their tabloids gleefully exploit in headlines such as "The Frogs Deserve a Kicking" or "Krauts—Achtung, Surrender." Not much talk anymore of British sportsmanship.

For good or not so good, football mobilizes people, admits their participation in rejoicing or disappointment, introduces excitement and suspense in their various lives. It is something in which all who choose can share.

They have other differences, but this is a meeting of hopes. Vive le foot!

Flora Lewis

With the World's Help, Nigerians Are Ready to Reform

By Hafsat Abiola

WASHINGTON — Five years ago, when my father, Moshood Abiola, was elected president of Nigeria, I did not expect that the military would arrest him on false charges of treason and put him in prison.

Nor did I expect that my mother, Kudirat Abiola, who fought for his release, would be gunned down three years later. Such political violence against a woman was unprecedented.

I have never been able to accept what has happened to my family and to my country.

I cannot accept that the Western democracies, attracted by Nigeria's oil reserves, ignored my father's plea for justice in Nigeria after General Sani Abacha illegally seized power and promised a free election that was never held.

I cannot accept that the United States, while it imposed limited sanctions on Nigeria, did not enforce stricter measures that might have forced General Abacha to step aside.

I cannot accept that, when

my mother placed herself in danger by calling the world's attention to the suffering of the Nigerian people, foreign delegations were seeking "constructive engagement" with her murderers.

The greatest victims of this indifference have been the people, who have been brought low by military oppression and misrule.

On Monday, General Abacha, my father's jailer and my mother's murderer, died, reportedly of a heart attack. His

successor, General Abdulsalam Abubakar, has called for acceptance as Nigeria's legitimate ruler. Before the world acknowledges him, some changes must be made.

General Abubakar must release all political prisoners, including my father. As the country's elected president, my father can help solve the country's current crisis.

Anything short of this will deprive the people of real progress toward democratic government.

Several times in the last five years, freedom has seemed within the grasp of Nigerians. So it is on this occasion, too, Nigerians are prepared to defy the bullets and prisons. We have freedom chants and eyes set on a free Nigeria.

But the outcome will depend, in large part, on how the world acts at this crucial moment.

The writer is director of the Washington-based Kudirat Institute for Nigerian Democracy. He contributed this comment to The New York Times.

Tiananmen, Unforgotten, Waits for an Eloquent Visitor

By Jonathan Mirsky

LONDON — President Bill Clinton has been invited to Tiananmen Square by China's leaders during his Beijing visit later this month. He must accept. I can tell him exactly where to stand.

It is a cluster of paving stones not far from the "Golden Water" bridges leading to the Forbidden City and a huge portrait of Mao, which hangs over the gate into the imperial palaces.

On those stones, in the middle of the night of June 3-4, 1989, I watched an armored personnel carrier pursue an unarmed demonstrator, run him down and squash him, leaving his blood glistening under the street lamps.

Next to me about three

minutes later a Chinese man wearing a T-shirt suddenly slumped over the bridge railing, shot dead by the soldiers of the 38th Army advancing across the square along the Forbidden City's vermilion walls.

A few hundred yards away, the next morning, I watched the army mow down dozens of people trying to enter the square to find their dead relatives.

When he stands on those paving stones, with the press around him, Mr. Clinton should speak of the longing for liberty of Asia's peoples. When it is frustrated, he should say, these longings lead to scenes like the recent ones in Jakarta.

Those scenes were carefully edited for Chinese television so that the Indonesian students barely appeared. This permitted the official Chinese commentator to bewail what was happening in the capital of the world's fourth most populous country as "chaos" and "instability," two of the four key words still used today in Beijing to describe the events of early June nine years ago.

Another phrase still used today, although it has been recently removed from the criminal code, is "counter-revolutionary uprising," the charge employed to arrest and imprison tens of thousands of Chinese

all over the country after the June 4 killings.

The official word used to describe what happened in Tiananmen Square and its aftermath is "incident." The Chinese leadership insists on this euphemism because it minimizes what remains the greatest unresolved political problem in China.

Mr. Clinton's host, President Jiang Zemin, has referred to the West's interest in Tiananmen as "much ado about nothing." This is also the view of Hong Kong's Chief Executive Tung Chee-hwa, whose verdict on June 4, 1989, is that "It happened—leave it to history."

Doubtless there are advisers in Mr. Clinton's entourage who assure him that young people in China are "interested only in making money."

Deng Xiaoping certainly did not think that the 1989 killings were a mere incident or much ado about nothing. He told Lee Tsung-dao of Columbia University, a Nobel laureate in physics, and former Canadian Prime Minister Pierre Trudeau that Tiananmen was far more dangerous than the Cultural Revolution, and that the "so-called democratic fighters" could have broken China apart. Fortunately for China, Deng said "I was still around."

He was indeed, and in the ensuing *qingcha*, or ferreting out, 4 million Communist Party members, out of a total of more than 40 million, plus high and low government officials, intellectuals, bureaucrats, scientists and journalists were investigated. Thousands were arrested, tortured and executed. No one knows how many are still detained.

Amnesty International records more than 250 post-Tiananmen prisoners, but in its latest report observes that "the real number is much higher."

I saw three of Amnesty's "names" commit the crime for which they remain behind bars.

They hurled little pots of paint at the Mao portrait in Tiananmen, and the thin blue, green and yellow streams ran down the gigantic cheeks and over the huge wart. For this they received, respectively, 16 years, 20 years and life imprisonment.

All were tortured, according to reports from Hunan, where they are detained, and one went mad. The portrait was replaced within an hour by an identical hand-painted spare, perhaps the one Mr. Clinton will soon see.

Mr. Clinton likes to say to those who suffer, "I feel your pain." He should ask for an interview with Professor Ding Zilin. She is the mother of a college student shot dead in Tiananmen.

Despite constant police harassment, she has collected two dozen other mothers whose children were killed and who periodically petition the government (they have just done so again) to investigate what happened on the night of June 3-4, who gave the orders to shoot, and on what grounds.

Suppose that in Beijing alone some thousands were killed or wounded. How many friends and relatives did those Beijing people, from every walk of life, have? And how many more across China were related to the vast throng of those caught in the "ferreting out"?

What people want to know, says the historian Dai Qing, who has been imprisoned herself but continues to delve into the dark past of the Chinese Communist regime, is: "How did we end up in this mess? Where did we go wrong?"

President Clinton should use his Tiananmen exposure to answer some of these disturbing questions. Despite China's experienced censors, he will have the biggest audience of his life.

The writer, a former Asia editor at The Times in London, contributed this comment to the International Herald Tribune.

An Economic Outcast No Longer

By Robert J. Samuelson

WASHINGTON — For decades, Milton Friedman — now 85 and long retired from the University of Chicago — was regarded as a brilliant outcast. He extolled "freedom," praised "free markets" and attacked big government. He was widely dismissed as a throwback to an era of heartless capitalism.

Not anymore. His impact has been so huge that he is approaching John Maynard Keynes (1883-1946) as the century's most significant economist.

Mr. Friedman almost single-handedly resurrected the "quantity theory of money," the idea that inflation stems from too much money chasing too few goods. Once governments accepted this, they could control inflation by slowing money growth.

He has promoted market economics from Chile to China. At home, his ideas now permeate public debate. We now have Mr. Friedman's story in an autobiography written with his wife of nearly 60 years, Rose, "Two Lucky People." It is a remarkable tale of doggedness.

Like many postwar economists, Mr. Friedman has viewed economics as a "science," much like physics, in which basic truths can be proved with evidence.

In 1957 he published "A Theory of the Consumption Function," which refuted a central Keynesian tenet: that people spend less of their income, and save more, as societies grow wealthier. This was presumably because people's wants were satisfied.

If true, it would justify higher government spending to offset weak private spending. But by analyzing historical consumption patterns, Mr. Friedman showed that it wasn't true. People always developed new wants.

More important was his explanation of the Great Depres-

sion. In the 1930s, Keynes had argued that the private economy could drop into a slump from which it might not automatically recover. Mr. Friedman and Anna Schwartz published "A Monetary History of the United States" in 1963, contending that, on the contrary, the Depression resulted from governmental errors.

From 1929 to 1933, about 10,000 banks failed, leading to a one-third drop in the money supply and widespread bankruptcies. But Congress had created the Federal Reserve in 1913 to prevent banking panics. If the Fed had done its job, the Depression would have been only a normal business slump.

In 1968, Mr. Friedman conceived (simultaneously with economist Edmund Phelps of Columbia) of the "natural rate of unemployment." Until then, Keynesian dogma held that a bit less unemployment would bring only a bit more inflation, and that the two could coexist in a stable relationship. This implied that governments could select the most desirable mix of unemployment and inflation.

Not so, said Mr. Friedman. If government tried to push unemployment below its "natural rate," inflation would rise ever higher. This ultimately described the pursuit of "full employment" in America in the 1960s and 1970s. Inflation went from 1 percent in 1960 to 13 percent in 1979.

In 1962 Mr. Friedman published "Capitalism and Freedom." From 1966 to 1984 he wrote a column for Newsweek, and in 1980 he hosted a 10-part public television series entitled "Free to Choose."

Despite his advocacy, he doubts that intellectuals can initiate political change. The "tyranny" of the status quo is too strong. "Only a crisis, actual or perceived, produces real change," he once wrote.

Communism's collapse

vindicated his harsh view of central planning.

By all odds, he belonged on the left. Born to two poor Russian Jewish immigrants, he grew up in Rahway, New Jersey. The family lived above a clothing store that his mother maintained, while his father worked in Manhattan. They argued often over money.

Public institutions treated him well. The local library helped make him a voracious reader, a high school civics teacher lavished praise; he attended Rutgers University on a public scholarship. He graduated in 1932 at the depth of the Depression, when political pressures pushed students to the left.

In conversation, he says that after Rutgers he was "mildly socialist." He attributes his change to graduate study at the University of Chicago, where a cadre of economists did not accept the common view of the Depression as an inevitable crisis of capitalism. His government service during World War II — working on tax policy and weapons problems — may have played a part. He felt the thrill of Washington but also saw firsthand the "manipulation, dishonesty, and self-seeking" of politics.

Some biographer may unravel this and other puzzles. Mr. Friedman's skepticism of government has never been total hostility. He has consistently seen a role for government in everything from reducing poverty to promoting education. But he has favored policies that checked government power and emphasized private responsibility.

He is a conservative but disdains the label and sees himself as a libertarian or "radical" — someone who so prizes freedom that he would make dramatic political changes to enhance it. A true conservative, by contrast, only reluctantly alters existing social arrangements.

Washington Post Writers Group

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Food for War

NEW YORK — The Herald today [June 11] discusses the subject of feeding our armies in the tropics, and says: "There may be wide differences of scientific opinion as to the precise rations which our troops shall receive, but the great principle laid down by von Moltke in the field, that no kind of food supply that is good is too expensive, should guide the authorities whose duty it is to provide for our soldiers. The success of England's tropical wars is largely explained when Lord Wolseley says that the British soldier on active service is well fed free of all charge. It is imperative that our soldiers in the tropics shall have a sufficiency of the best foods obtainable."

1923: Station Blaze

PHILADELPHIA — The famous Broad Street Station was

destroyed by fire early this morning [June 11], the flames starting mysteriously under a platform and spreading rapidly to all parts of the station. Many passengers asleep in Pullman cars were routed out by the dense smoke and escaped safely, although one was overcome by the fumes.

1948: Danes Drown

AALBORG — Between 150 and 200 Danes were drowned early today [June 11] when a mine, sown in Danish waters during the second World War, blew up the 1,668-ton passenger vessel Koebehavn, en route from Copenhagen to Aalborg. The ship carried about 400 passengers and crew members. The ship sank in ten minutes, drowning scores of sleeping passengers in their berths. Scores of others only saved their lives after desperate dives from the decks into the sea.

Herald Tribune

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OPINION/LETTERS

A 'Tough Love' Coolness Toward Japan Might Help

By Edward J. Lincoln

WASHINGTON — A question for Americans: What should we be doing about Japan's economic mess?

Japan's economy has performed poorly in the 1990s, averaging only about 1 percent annual growth since 1992. The collapse of stock and real estate prices at the beginning of the decade resulted in a mountain of bad debt and a prolonged period of economic stagnation.

By 1996 the economy was recovering, but the government choked it off with an unwise decision to raise taxes in 1997. Since then the economy has stagnated again while showing increasing signs of slipping into a real recession with a greater danger of financial collapse.

This litany of bad news should have sparked a sense of urgency within the Japanese government. But it did not.

In the financial sector, new policies are keeping essentially insolvent institutions afloat through accounting tricks and infusions of government money. On the macroeconomic front, an economic stimulus policy evolved slowly in a largely opaque, piecemeal process that did not inspire public confidence.

The government did not produce a fiscal stimulus plan until late April. The package,

a combination of modest income tax cuts and sizable increases in public works spending, is large enough to boost the economy by more than 1 percent (but less than the 2 percent claimed by the government) — enough to keep the economy from actually shrinking in 1998. But this will leave another year of virtual stagnation.

And why emphasize public works when the Japanese themselves have decried the massive corruption and inefficiency involved? Because of such doubts, the stock market and exchange rate have sagged.

What should the United States do about the plight of its close ally and economic partner? There are three basic choices.

One is to wait patiently while Japan works out its problems. That is a reasonable choice only if one believes that Japan's economic policy elite will pull the economy through this rough spot without excessive damage to itself, the rest of Asia or us.

Or we can voice our concerns, U.S. government officials have spoken out forcefully in the past half year. This traditional approach of noisy pressure may have had some impact, as the stimulus

package might have been smaller without this volley of critical comments.

Or we could try a more indirect way to get across a message of deep concern. One possibility would be to downgrade the priority assigned to daily contact with the government — by not promptly returning phone calls, postponing some meetings or being too busy to meet visitors from Tokyo. This would be a calculated tactical approach — a "tough love" message, not a kick to a friend who is down.

Even a modest downgrading of daily interaction would clearly worry Japanese officials — who have reacted sharply to my suggestion in a recent Foreign Affairs article. Being treated like a great power is important to them.

A Washington Post editorial (HT, May 6) said I recommended kicking Japan while it's down. I beg to differ. My proposal was just one of several options for dealing with a difficult economic situation.

Like dealing with the drunk in America's "Friends" don't let friends drive drunk" advertisements, this is not an easy tactic to employ. But it might finally get the message across about the depth of our concern. Sometimes being a close friend requires tough love rather than indulgence.

None of these choices is a clear winner. Japan could sink into a more serious economic mess while America stands by patiently, which would have negative repercussions for the U.S. economy. Meanwhile, Japan's officials may be less willing than in the past to listen to our noisy criticisms and advice about what to do.

A tactical downgrading of daily contact may be too blunt for American officials to try. But the situation is sufficiently worrisome to lead Japan watchers like me to think about such innovative policies.

For the past three years, Japanese pundits have joked a bit nervously that Americans have gone from "Japan bashing" to "Japan passing" (or even to "Japan nothing"). My proposal was simply borrowed from this notion.

Even if it is unpalatable as a deliberate choice, it may be coming true as a matter of course. The Keystone Kops image that Japanese policymakers project to the world is diminishing the attention their views receive on many international issues. The joke is becoming reality.

The writer, a senior fellow at the Brookings Institution, contributed this column to The Washington Post.

Philippines' Revolution: The Debate Goes On

By Philip Bowring

MANILA — On Friday, the people of the Philippines will celebrate the centenary of their nation's declaration of independence. Or will they? Politicians, especially from the outgoing Ramos administration, tried to drum up some enthusiasm for the event, with only modest success.

Does this show a lack of nationalist spirit? No, it is a question

of definition. One hundred years later, Filipino historians are still divided about the nature of their "revolution."

That is not surprising. The two best-known heroes of that revolution were Emilio Aguinaldo and Andres Bonifacio. Aguinaldo had Bonifacio executed for treason a year before the independence declaration, which was written by Aguinaldo.

In nationalist historiography, Bonifacio was a man of the masses, a grassroots Tagalog revolutionary, while Aguinaldo was an elitist whose pragmatism led him to deal with the Spaniards and their American colonialist successors.

Aguinaldo's first republic, with himself as president, was declared in late 1897. But soon afterward he made a pact with Spain and ended up going into exile in Hong Kong. He came back the following May aboard an American ship after the United States had declared war on Spain.

The June 12 document was a declaration of independence from Spain. But it put the new nation's liberty "under the protection of the Mighty and Humane North American nation."

Not such a good move, it turned out. By the time the First Philippine Republic was inaugurated six months later, the United States had come to terms with Spain and assumed sovereignty over the Philippines. Aguinaldo resisted for a couple of years but later accepted U.S. rule.

Real independence was not to come until 1946, after yet another occupation, this time by Japan. Many leading Filipino families collaborated with Japan, as they did with previous rulers.

The leader of the pro-Japan party was the father of Ninoy Aquino, the husband of Cory Aquino, who was installed as

LETTERS TO THE EDITOR

Studying the Past

Regarding "The Danger of Seeing the Past Through Today's Prism" (Opinion, June 6) by William Pfaff:

Mr. Pfaff's article reflects a naïveté about the use and interpretation of historical fact. Questions such as "What were

the Turks supposed to do?" and "How could [the Swiss government] have done otherwise?" — along with his portrayal of the Swiss as the "unluckiest" of the neutral countries during World War II — transform these power players into victims of Nazism.

More disturbing, Mr. Pfaff's statement

that self-interest generally drives decision-making in times of duress is an oversimplification, ignoring the existence and plausibility of alternatives.

The reality of history is that decisions are made, choices exist and nothing is inevitable. Antiques like Mr. Pfaff's led to the very catastrophes he discusses.

Given the possibility of alternatives, we certainly can judge the decisions of the past and point out failures. We students of history do this daily — not to feel better about ourselves and our societies but to re-evaluate our own daily decisions and our own governmental policies. Were our only goal to place blame, we could all just close our books, throw up our hands and go home, expecting the very worst.

JEFFREY COHEN,
Hamburg.

Big Bad Wolves

Under the "Away From Politics" rubric, it was reported that "the howl of wolves will be heard in northern New Jersey in mid-July for the first time in at least 200 years, when the second U.S. refuge for wolves opens across the region's stretch of the Appalachian Trail and upper reaches of the Delaware River" (HT, June 5).

This bit of news was misplaced. Nothing could be more political than the U.S. ecological movement. Its fanaticism is shown

in this perverse and absurd concern for the preservation, and even propagation, of wolves — a natural enemy of human society. Wolves prey on farm and other animals and even on human beings, if given the chance. The environment of northern New Jersey was enhanced by their eradication two centuries ago.

JOHN CRABB,
Fremy-Voltaire, France.

Restricting Guns

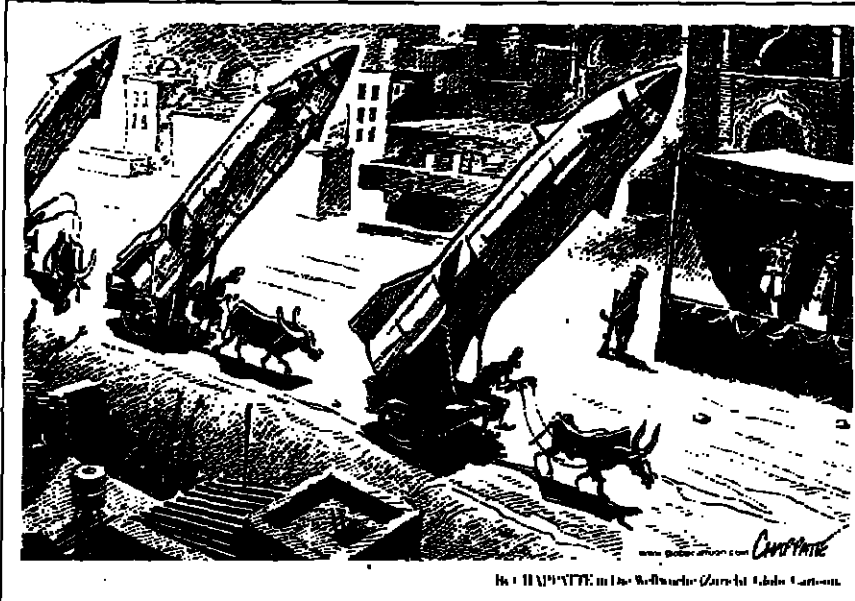
Regarding "Gun Lobby Adds Some Firepower" (June 9):

Let's say, as the National Rifle Association suggests, that violence in America is due not to guns but to lenient judges, gratuitous violence on television, loss of family values and so on. This is the very reason to keep guns out of the hands of millions of people.

We don't let children play with matches, do we? Because of terrorists, we must submit to X-rays and friskings at airports. Because of drunken drivers, the legal drinking age has gone up in America and there is a legal blood-alcohol limit for driving.

What is wrong with restrictions on gun purchases? Even if it does not work every time, what is the problem with a waiting period. What's the hurry?

CATHERINE FITZSIMONS,
Lury, Switzerland.



BOOKS

A WIDOW FOR ONE YEAR

By John Irving. 537 pages.
\$27.95. Random House.

Reviewed by Barbara Kingsolver

MOST writers wouldn't hazard a novel about writers, for fear of self-indulgence. But most writers aren't John Irving. His characters can beguile us onto thin ice and persuade us to dance there. His instinctive mark is the moral choice stripped bare, and his aim is impressive. What's more, there's hardly a writer alive who can match his control of the omniscient point of view.

In "A Widow for One Year," Irving has written circles even around himself: This hefty novel full of imagined writers comes complete with samples of their ostensible work, including the entire first chapters of a literary best-seller and a detective novel, the texts of four world-famous children's books, and synopses of several mediocre efforts. While all these passages do have a certain Irving-ness about them, each one is in character and convincing — apparently. A week after finishing the novel, I caught myself scanning my daughter's bookshelf for "The Mouse Crawling Between the Walls" before remembering that the author, publisher and international acclaim are all from Irving's head.

Yes, Irving has indulged in some inside jokes: Writers will recognize the Dogged Signature Stalker, the Interviewer Who Hasn't Read the Book, the We Know You're Really Writing About Yourself-ers, and, alas, the I'm Actually the Casanova in Her Book guy. But these figures are incidental to the solid insights into the creation and power of

novels, which will surely be of interest to anyone who reads them.

The dedication declares the book a love story, but that's not the half of it, either. It's a murder mystery, a saga of scary boyfriends and a serviceable guidebook to the red-light district of Amsterdam. But mostly, as it tracks the protagonists, Ruth Cole and Eddie O'Hare, through 37 years of separate lives, "A Widow for One Year" lures us onto the terrain of irreparable grief and a little bit beyond.

We first meet Ruth and Eddie when they are 4 and 16, respectively, and Ruth's family is falling apart. Her mother, Marion, is frozen in grief after losing two sons in a tragedy so appalling she can't speak of it. Ruth's father, Ted, an ill-fated children's book author, lost the same sons but grieves differently. He has betrayed Marion through countless drunken infidelities, and insisted on a third child — Ruth — when a better man would have recognized that his wife's maternal capacities had been shattered.

Ted's guileless summer intern, Eddie, watches the drama cautiously while taking little Ruth for ice cream and founding with hormonal love for the exquisitely icy Marion. As her final act in this tormented family, Marion seduces Eddie. It is partly retribution, partly Eddie's resemblance to her sons, that moves her to this brief engagement with the living. Then she packs up the myriad photos of dead boys that have haunted their home and walks away.

Ruth will suffer this abandonment for a lifetime. Less predictably, so will Eddie: Marion does not bury her grief in his embrace but, rather, infects him with it. Ruth and Eddie carry different torches for Marion. As a child, Ruth

subsists on her hopes and imagination, then grows up to be a highly imaginative writer: as a woman, she always falls for men that a mother could have warned her against. Eddie, as a young man riveted by one incomparable experience, becomes an unimaginative writer, redescending his 16th summer through one book after another. And he has eyes only for older women.

Irving reminds us here, as in many of his novels, that life delivers some punches from which we can't be expected to recover. But this putative love story also nurses an abiding confidence that Ruth and Eddie will find happiness — if only through the force of their peculiar longings. Eddie's affairs begin to look absurd by the time he is middle-aged and "older woman" means 70-something. But for Eddie, it's nearly a state of grace. In this touching passage, he tries to explain himself to a disgusted friend: "I can picture her when she was much younger than I am, because there are always gestures and expressions that are ingrained, ageless. An old woman doesn't always see herself as an old woman, and neither do I. I try to see her whole life in her. There's something so moving about someone's whole life."

Here is a bold stroke, in a world where nymphets and sexagenarian men in movie-love are beginning to wear down any other expectation. Who among us could resist this take on a woman's worth? The likes of Ruth and Eddie, so comprehensively flawed and sweetly deserving, incline a reader to invite them in, to stay.

Barbara Kingsolver, whose eight books include fiction, poetry and essays, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THE 1997 winner of the Barry Crane Top 500 — awarded to the player who accumulates the most master points in a year — was Randy Pettit of Marietta, Georgia, a 54-year-old semiretired financial planner. He sometimes arrives at a tournament without partners and teammates and relies on happenstance. His skill is such that the professionals are happy to recruit him as a team member or play with him when they are unemployed.

In 1997, he attended all three national championships, 18 regional tournaments and three sectionals, far less than most of the professionals. But by the end of the year he had accumulated 2,117 master points. A perennial contender, Paul Soloway of Mill Creek, Wash., took second place. This was a

remarkable performance by Pettit, who has battled attention deficit disorder all his life.

Pettit's favorite bridge memory concerns the diagramed deal, played long ago in a Grand National Team match against strong opponents. His partner, Bill Lohmann of Atlanta, opened the West hand with one no-trump. The partnership was using the superweak no-trump, showing 10 to 13 high card points, as many experts do when the vulnerability is in their favor.

His opponents reached the normal four-spade contract, but en route North made a splinter bid. His jump to four clubs was an optimistic slam suggestion showing a spade fit with club shortness. Pettit, East, doubled this to show length and strength in clubs.

The idea was to suggest a club lead rather than a diamond, advice that Lohmann

did not happen to need. But guided by the double he made an imaginative move: He underled his ace-king of clubs. East won with the queen and shifted to the diamond ten. South finessed, losing to the king, and a diamond was returned.

South was a puzzled man. The normal reason for East to win the first trick with the club queen is that he has all the top honors. But West had shown 10 to 13 points, so something funny was going on.

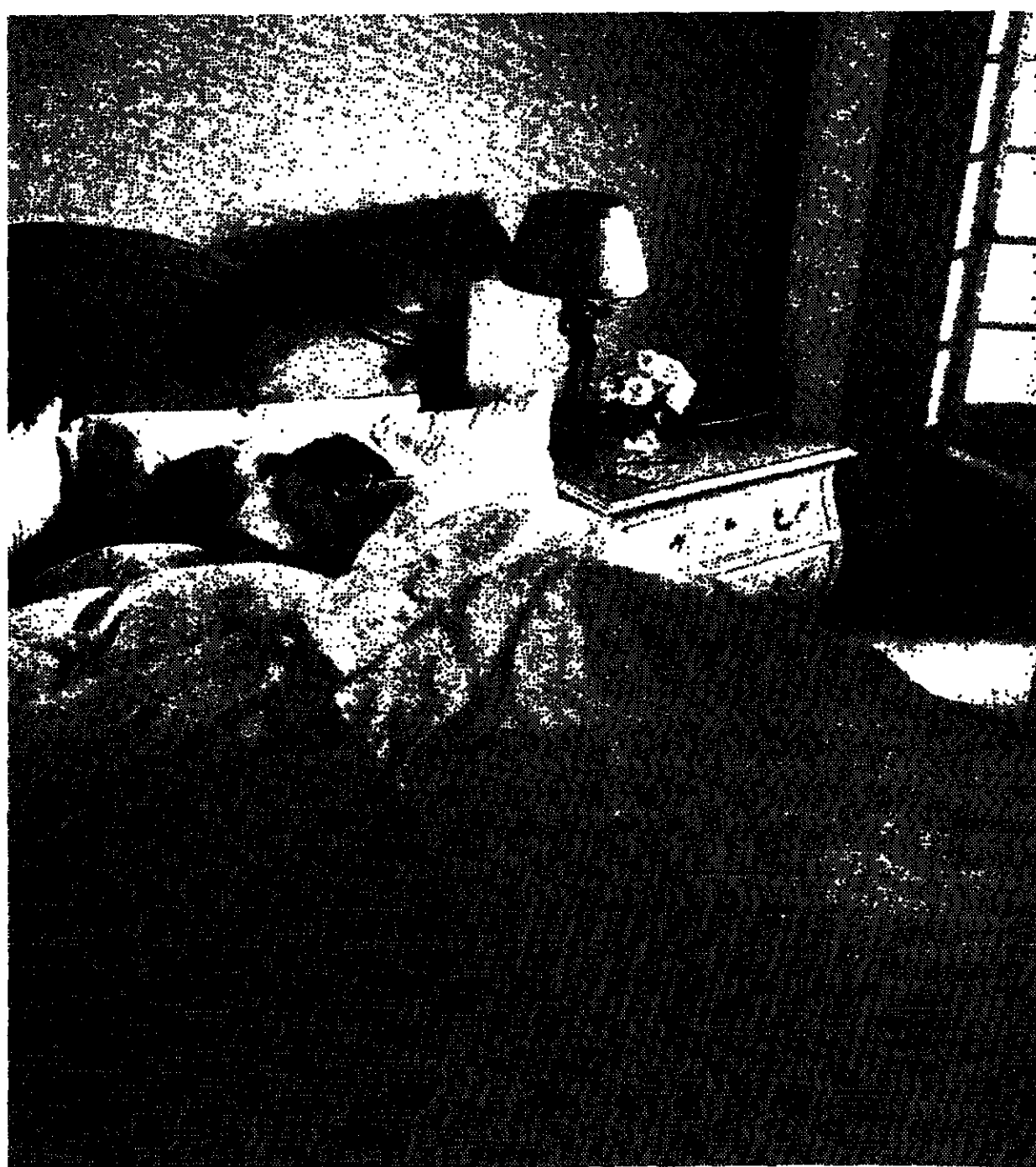
The declarer was the central character in that old Hitchcock thriller, "The Man Who Knew Too Much." Searching for West's high-card points, he finessed the spade jack. That did not work, for East produced the queen and returned a trump. South won and could not now ruff two clubs in the dummy. Still convinced that West had high cards outside clubs, he fin-

essed the heart queen and was discomfited to see Pettit produce the king, another card he was not supposed to have.

In the replay South had no useful information and had no trouble making an over-trick. The result was 13 imps for Pettit, Lohmann and their teammates.

NORTH			
♠ A J 4			
♥ A Q J 10 8			
♦ J 8 5 3			
♣ J			
WEST (O)			
♠ 8 7 3		♥ Q 8	
♥ 8 4 2		♦ K 8 7 5	
♦ K 7 4		♣ 10 6	
♠ A K 7 2		♥ Q 10 8 3	
SOUTH			
♠ K 10 5 2			
♥ 3		♦ A Q 8 2	
♦ 6 5 4		♣ 6 5 4	
North and South were vulnerable.			
The bidding:			
West	North	East	South
1NT	2♣	Pass	2♠
Pass	4♣	Pass	4♠
Pass	4♠	Pass	Pass
West led the club two.			

"Cancel the warm milk. I don't think I'll need it."



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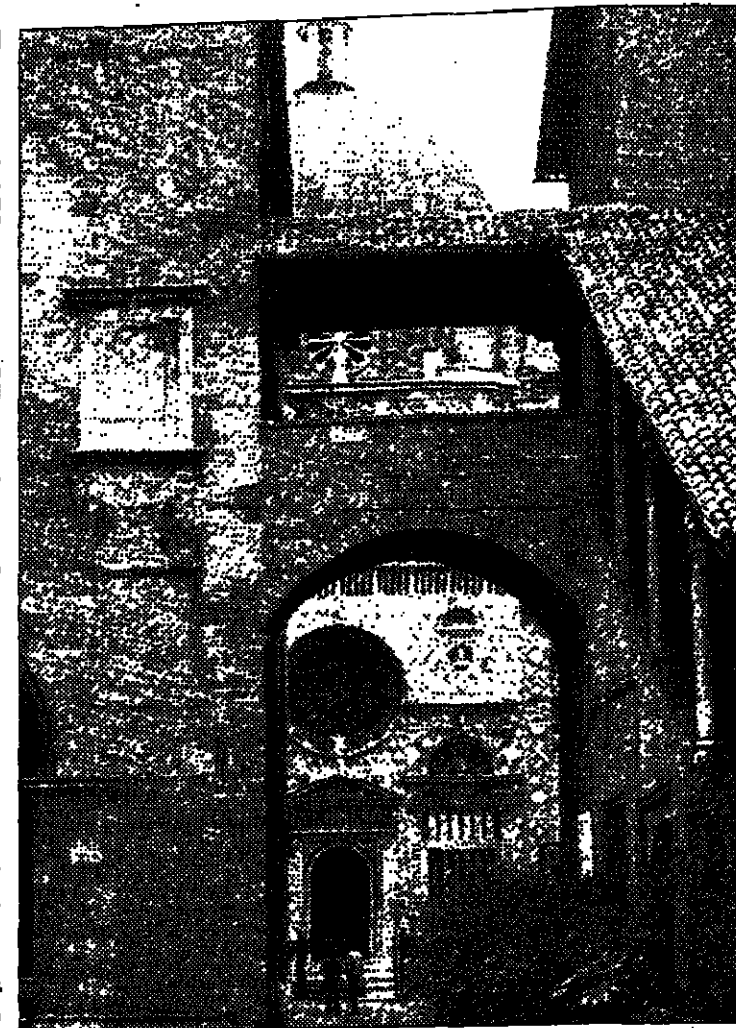
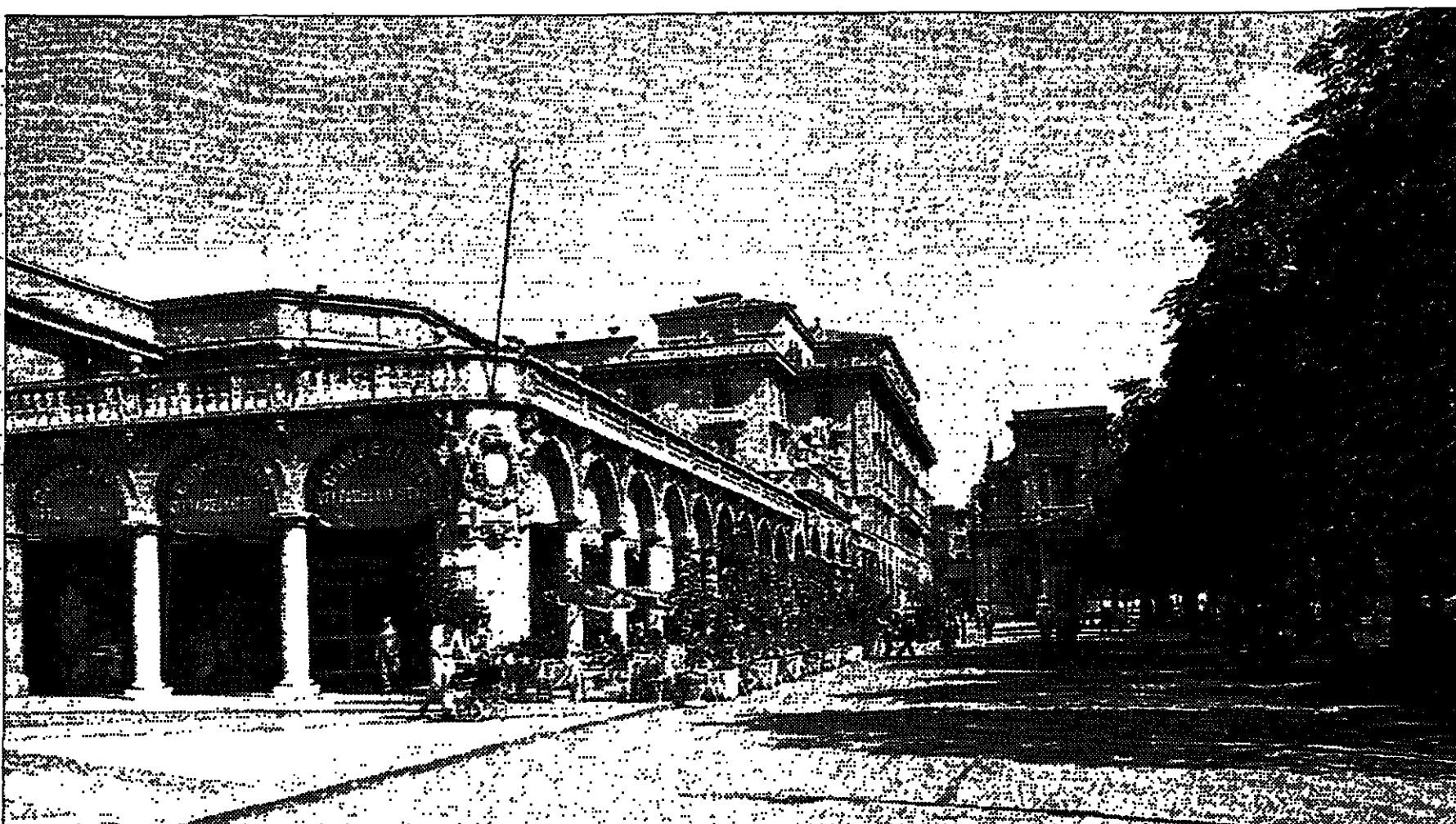
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Leisure

The Wonder of Renaissance Bergamo and Lorenzo Lotto



The "Sentierone," or Promenade, in Bergamo's Lower Town, left, and a view through the arches of the Town Hall to the Colleoni Chapel and the Basilica of Santa Maria Maggiore, which holds Lotto's marquetry-work pictures.

By Roderick Conway Morris
International Herald Tribune

BERGAMO, Italy — "It stands on the side of a hill, having in the east and south the pleasant plain of Lombardy before it. So that from many places of this city there is as sweet a prospect as any place in Italy doth yield," wrote Thomas Coryat, who visited Bergamo when he walked from England to Venice in 1608.

Although only a bit under 50 kilometers (30 miles) from the sprawling metropolis of Milan, Bergamo has maintained many of its attractive views, and its medieval and Renaissance center is so well preserved that Coryat would readily recognize it today.

The course of its history, too, was very different from Milan's, principally because from 1428 to 1797 Bergamo was part of the Venetian Republic — indeed, was the westernmost bastion of the Serenissima's mainland possessions, on the border with the territories ruled by the Dukes of Milan and later the Spanish and Austrian Habsburgs.

From ancient times Bergamo consisted of the Upper Town, perched on a natural citadel, and the Lower Town on the plain below. It became rich in the Middle Ages and the site of a famous fair — "the greatest I ever saw in my

life, except that of Frankfurt in Germany," as Coryat recorded — that attracted traders from all over Europe. (Coryat suffered the familiar problem of arriving in town at the height of the fair without a hotel reservation: "This city," he wrote, "yielded me the worst lodging for one night that I found in all my travels out of England.")

The prosperity of the leading families allowed them to spend lavishly on the arts, leaving the city with an enviable architectural and artistic heritage.

Prominent among the major painters to leave an extensive and distinctive mark on Bergamo was Lorenzo Lotto (c. 1480-1556). This outstanding artist, much admired in Bergamo but unjustly neglected elsewhere (although his reputation has been rising in recent years), is the subject of an excellent exhibition, "Lorenzo Lotto: The Renaissance's Restless Genius," at the Accademia Carrara until June 28. More than 50 paintings from the city itself and collections around the world are included in the exhibit, which will be at the Grand Palais in Paris from Oct. 12 to Jan. 11.

For practical reasons, however, many of Lotto's key works — frescoes, large altar pieces and the amazing marquetry-work pictures he designed for the Basilica of Santa Maria Maggiore — will not be making the journey.

Lotto was born in Venice. He was influenced initially by the Bellinis but soon developed a strongly individual and intensely atmospheric — sometimes positively febrile — style of his own. A man of exceptional sensitivity, deep religious conviction and lifelong restlessness, Lotto embarked on a peripatetic existence, traveling widely in northern and central Italy in search of commissions.

ON TO THE VATICAN

In 1508 he was called to the Vatican, when Raphael and Michelangelo were working there, to fresco some of Julius II's papal apartments. Unfortunately the Pope did not like Lotto's work, and the frescoes were destroyed to make way for those by other hands. This setback propelled Lotto onto his wanderings again, but Rome's loss became Bergamo's gain when he was chosen to paint the altarpiece for the San Bartolomeo Church here in 1513.

This was the start of one of the happiest and most productive periods of the artist's life. Further commissions followed — for portraits as well, which established him in this genre as well — and he remained in the city for a dozen years. In fact, so identified with Bergamo did Lotto become that a legend grew that he was actually a native of the place.

Apart from San Bartolomeo, Lotto painted two other important altar pieces in the Lower Town, at the Santo Spirito and San Bernardino churches. Both are in the old Borgo Pignolo quarter, an elegant neighborhood where the town's wealthy burghers built numerous mansions.

There, too, is the Accademia Carrara, which houses an unusually grand collection for a provincial town. It was founded by Count Giacomo Carrara in 1795, on the eve of the fall of the Venetian Republic, but survived the upheaval and was subsequently enriched by further donations from local connoisseurs. Aside from half a dozen Lottos, the gallery has splendid works by Mantegna, Pisanello, Botticelli, Carpaccio, the Bellinis, Titian, Antonello da Messina, Tiepolo, Canaletto and Guardi, among others.

A broad flight of steps leads from the Accademia up to the Sant'Agostino Gate, emblazoned with the winged lion of St. Mark, and the Upper Town (which can also be reached by funicular).

Not far from the gate is the 15th-century church of San Michele of the White Well, in which Lotto frescoed a side chapel shortly before he left the city. In 1524, a year earlier, he had completed the larger and more complex cycle of frescoes for the Suardi Oratory at Trescore Balneario, 13 kilometers to the west, the most ambitious and suc-

cessful wall paintings of his career.

The chief change in the appearance of the Upper Town after Lotto's death was the construction of the massive encircling walls — the final phase of Venice's defense of this vital outpost against its Spanish neighbors — built at vast expense between 1561 and 1588.

Only the Upper Town was thus fortified, to make it evident to the Habsburgs that this was a purely defensive measure, not the prelude to territorial expansion westwards. The Venetians even invited the authorities in Milan to come and observe the nature of the works. The apparent impregnability of the completed fortress town was such that no attempt was ever made to besiege it. (It is now possible to walk the tops of the walls, a distance of nearly two kilometers, along which several of the bastions have been made into parks.)

MASS DEMOLITION Almost 250 buildings, including the ancient cathedral, monasteries, palaces, houses and shops were demolished during the creation of these imposing ramparts, but the handsome main square with its fountain, Town Hall and the Basilica of Santa Maria Maggiore, was left alone.

The basilica's choir contains a magnificent cycle of 69 marquetry-work

panels, the result of a felicitous collaboration between Lotto, who provided the drawings between 1524 and 1532, and the wood-inlay master Giovanni Francesco Capoferri. The principal themes are taken from the Old Testament. Lotto himself adding an incident from the story of Lot not in his patrons' original scheme, in reference to his own name.

Beside the Basilica is the sumptuous chapel tomb of Bartolomeo Colleoni (1400-1476), the renowned Bergamo mercenary commander, who grew immensely rich in the service of Venice and ended his days a celebrated patron of the arts. The chapel houses his own equestrian monument and the tomb of his daughter, Medea, who died in her teens, and its vaults are decorated with some uncharacteristically gruesome frescoes by Tiepolo — of the beheading of John the Baptist and the slaying of Colleoni's namesake, St. Bartholomew.

A few streets away is the humble, partly subterranean dwelling where Gaetano Donizetti (1805-1848) was born and reared. Despite his desperately poor beginnings and tragic life, the composer produced a series of joyously lyrical operas, and his memory is celebrated in a festival every September at the charming 18th-century theater now named after him in the Lower Town.

Warm Nights in Cold Reykjavik

City Gets Hot When the Summer Sun Goes Down

By Jesse McKinley
New York Times Service

REYKJAVIK — It is just after midnight right below the Arctic Circle, and if it weren't for the fact that the sunset was still visible on the horizon, the scene in the streets of party-happy Reykjavik could easily have been in lower Manhattan.

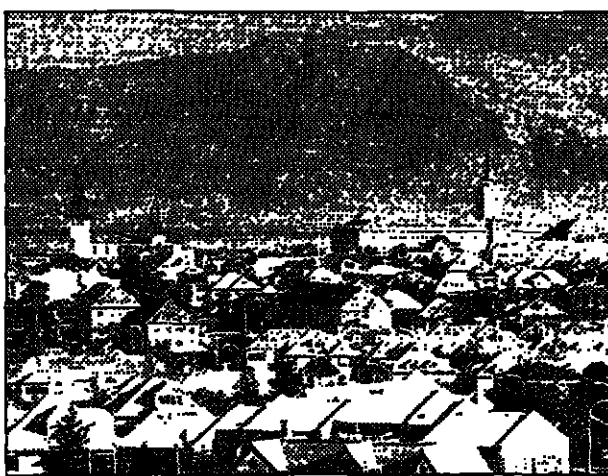
Across from the Parliament building in the world's northernmost capital, men in slick suits and women in miniskirts were standing 10 deep at the door to Skugga Barinn (the Shadow Bar), a trendy nightclub whose decor runs from zebra-skin lamps to black leather couches. Up the hill at Kaffi List, an international crowd was slugging back German beer and singing along with Spanish pop songs. Perhaps the biggest party of all was under way on Banka-stræti, one of the main boulevards, where droves of teenagers gather in temperatures just above freezing, hugging, dancing and generally celebrating the beginning of summer.

Indeed, while the rest of the Northern Hemisphere waits until the summer solstice in June to begin summer, the calendar makers in Iceland have always fixed the starting date as the third Thursday of April.

I had arrived on a Saturday morning in late April, hoping to catch the early days of the new season as well as the tail end of the off-season fares. My larger goal was to catch a taste of the night life in Reykjavik, a city whose festive reputation has made it increasingly popular with weekend European partygoers hunting for an exotic alternative to played-out hot spots like Ibiza or Corfu.

Set against a backdrop of stark, snow-streaked mountains and cloud-sheathed glaciers and steadily raked by northerly winds, Reykjavik often seems to huddle meekly in the face of nature. While it sometimes still feels like a whaling town, the city is abuzz with construction, with scores of sleek new apartments rising at water's edge.

After my arrival and a nap, I set out for Reykjavik's old town. I soon stumbled into Ingolfstorg, a former city parking lot converted into a simple monument to Ingolfur Arnarson. Arn-



A view of Reykjavik and its mountain backdrop.

arson was the intrepid Viking who is credited with founding the city in A.D. 870 by tossing two wooden pillars from the hull of his ship into the water and watching where they touched ashore.

More recent civic planners have turned Ingolfstorg into the stomping grounds for the city's skateboard aficionados.

A cold Arctic wind had begun to kick up a bit, and I did a double take when I saw a pair of young lovers eating ice cream. Another clique of leather-clad teenagers sat basking in the sun, watching the skateboarders' contortions and chowing down on hot dogs, one of the capital's favored cheap eats.

It is quite easy to run up a mighty tab in Iceland, which is heavily dependent on imports and saddled with a 24.5 percent value added tax. A pint of beer in most Reykjavik bars and restaurants is close to \$8 and a meal rarely dips below \$12.

TRAVELERS ON FOOT I grabbed a juicy beef frank with mustard (\$2) from a stand and continued on my way. Reykjavik is a good town for pedestrians: travelers on foot are likely to enjoy the picturesque side streets, cobblestone alleys and gentle hills, all features that offset the blais of Reykjavik's sometimes workmanlike waterfront and blocky architecture.

I wandered a block east to Austurvöllur, the old town square, dotted with budding pussy willows and bordered by two handsome sidewalk cafés, the Café Paris and the Kaffi Brennslann. Beer was legalized in Iceland only in 1989,

and the suddenly packed streets were buzzing.

Our party headed up the hill to the east of the old town along Laugavegur, the city's main shopping strip. We stopped in the Café Solon Islandus, an airy bistro packed with deep wicker chairs. The drink of choice here is coffee by the pot accompanied by Cognac, licorice liqueur or brandy.

We also stopped in Club 22, one of Reykjavik's oldest nightclubs, whose clientele ranges from surly patrons at the bar downstairs to flamboyant young scenesters dancing upstairs.

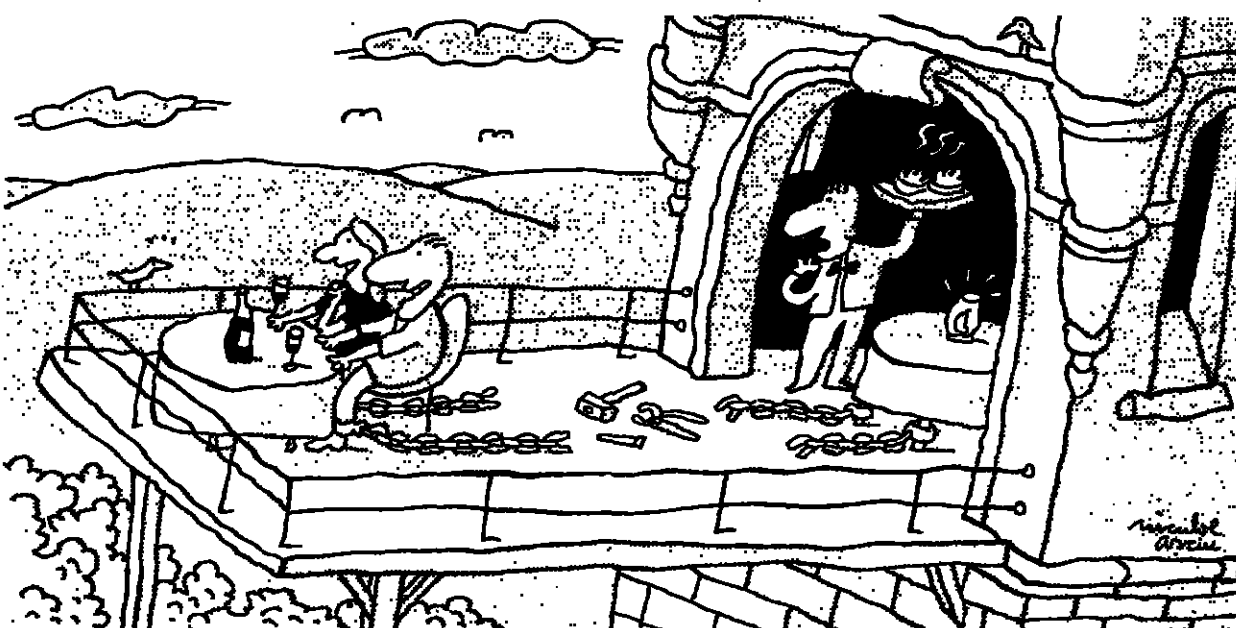
Moving toward the harbor, I found a pair of mellower establishments on the side street of Klappargatur. At the Grand Rokk Pub, the regulars are mainly actors from the nearby National Theater, and prices are suitably cheap.

Next door was the Kaffi List, a darkly hip Spanish bar with marble tables, track lighting and an array of tapas. My friends crowded into a corner booth and finished the night with a Soberano, a Spanish brandy, curiously at \$6 cheaper than the bottled beers.

Wandering home, I made my way down through the masses of teenagers on the main strip. After a final hot dog, I fell into bed.

I'll admit I felt a tad groggy when I awoke late the next morning. But I knew the way to the local curative: The outdoor public swimming pools, heated by hot springs, are one of Iceland's true low-cost treats, usually running about \$2.50.

DINING



At Last, a Table on the Terrace

In Reims, a Rare Leap for Seasonal Common Sense

By Patricia Wells
International Herald Tribune

REIMS, France — It was not the sort of comment I expected to hear, even in 1998, in a compact village of 5,000 in rural France: A matronly woman walked into the epicure and spoke as the French are wont to do to no one in particular and everyone in general. "I looked through all my cookbooks and couldn't find a recipe for *escabeche de sardines*," she said in French on the Internet.

As France modernizes in leaps and bounds, so does the way it looks at food and dining. One area in which it has been slowest to change is in understanding the joys of dining outdoors. Oh, yes, we romantics may take the Impressionist masterworks such as "Le Déjeuner sur l'Herbe" or "Le Moulin de la Galante" as our vision of bucolic outdoor life in France, but more often than not, the reality is the opposite.

I have stopped counting the times I have reserved at a restaurant with an outdoor terrace or garden, only to find that although the day was perfectly gorgeous, diners were shepherd indoors for no explicable reason.

So I was delighted recently when I arrived at the doors of Elyane and Gerard Boyer's Les Crayères — the Champagne region's finest restaurant and one of the best dining spots in France — to find that the entire dining room had been moved to the chateau's flower-filled terrace. One small step for mankind, one giant step for France. A three-star restaurant serving outdoors? Bravo, les Boyers!

Seated on the terrace of the 18th-century style chateau, overlooking a seven-hectare park of multiple varieties of trees, there is little to do but sip Champagne and peruse Boyer's modern, well-conceived seasonal menu. One will never go wrong with his signature *sauvignon fumé à la minute* — moist and tender morsels of fresh salmon lightly and delicately smoked — teamed up with new spring potatoes in their skins and bathed in a welcoming caviar cream.

Who could not love a well-executed combination of roasted lobster, delicate risotto and fresh green asparagus points? Or a simple fillet of line-caught bar with crunchy spring vegetables surrounded with a sauce of fresh black truffles and deep green parsley sauce? Boyer offers the tenderest noiseite

portion of the lamb chop wrapped in *crepinette*, or caul fat, and matches them with a rich purée of dates and foie gras. For artichoke lovers, the fillet of lamb is "simply" crusted with finely minced black truffles then roasted, and offered with a spring "ragout" of artichokes, basil, tomatoes, herbs and olive oil.

Desserts are equally unfussy, seasonal and palate-friendly. Try the fresh strawberries set atop an almond macaron, in a pool of pistachio cream; a soft nougat glaze with a honey and apricot sauce, or a low-calorie special — a light ricotta mousse with fruits cooked in red wine and topped with ginger jelly.

And you can find out more about the Boyers at:

<http://www.integra.fr/relais.chateau/crayeres/contact.htm>
Les Crayères, 74 Boulevard Henry Vasnier, 51100 Reims; tel: 03-26-82-80-80; fax: 03-26-82-65-52; email: crayeres@relais.chateau.fr. Closed all day Monday and Tuesday for lunch; closed Dec. 21 through Jan. 11. Credit cards: American Express, Diners Club, Visa. Menus: 907 and 1,067 francs, including service and wine. A la carte: 650 to 720 francs, including service but not wine.

LEISURE

How's the Water? Caution Advised

By Susan Keselenko Coll

DON'T drink the water," is the parting advice typically given to a traveler about to go to the developing world. But in this era of globalization, when more and more people are traveling for longer periods, venturing farther afield, it's not realistic to assume there are always options short of subsisting on carbonated sodas for weeks at a time.

The best advice remains the age-old and obvious: When it doubt, boil the water. Also, if practical, avoid locally bottled water, don't use ice cubes and opt for hot beverages such as tea or coffee.

Karl Neumann, a pediatrician in New York who has edited the newsletter *Traveling Healthy* for 11 years, suggests that travelers pack electric coils to heat water in hotel rooms. "Boiling kills everything," said Dr. Neumann, who also suggested that, ideally, water be brought to a boil for five minutes.

"If water comes out of the faucet that is too hot to touch, it is generally safe," he added, emphasizing, however, that the operative word is "generally."

What if one is traveling in places where things like hot water and immersion coils are a luxury? The odds of staying healthy even in the most remote and rural areas are improving as an increasingly sophisticated batch of portable water filters hits the market.

FILTER AND PURIFY

Just a few years ago, dropping a foul-tasting iodine tablet into a glass of murky water was one of the few choices for travelers. Now a range of portable devices contain both microfilters designed to catch organisms and purifiers with iodine resins to kill viruses. Some

even come with a third component to counter the iodine taste.

Rick Applesies, a product manager for PUR Drinking Water Systems in Minnesota, said his company had been manufacturing such filters for about six years. "It's a young industry," he said, "showing really good growth."

The company's best-selling products include the Voyageur, a purifier that weighs 11 ounces (about 300 grams) and can process up to one liter of water a minute. It retails for \$75, and is designed to kill waterborne viruses, bacteria and giardia.

A wide range of portable filters is available both through retail outlets and now through catalogues specializing in traveler's health products, such as Travel Medicine and Harris Health Kits, which designs individualized travel kits and can be found on the Internet: www.safetravel.com

Should all else fail, old-fashioned methods of cleansing water are better than nothing: Straining water through cloth may at least eliminate some of the dirt and larger parasites, and adding household chlorine bleach — two drops to each quart of water if it is clear and from the tap; four drops if the water is cloudy or not from the tap, and waiting 30 minutes, advises Dr. Stuart Rose in his *International Travel Health Guide* — will kill off certain bacteria, though not all.

There is an entire alphabet soup of waterborne creatures waiting to be swallowed, and Dr. Martin Wolfe, director of the Traveler's Medical Service of Washington, advises travelers to watch out for Giardia lamblia and cryptosporidium, as well as cyclospora and amoebic cysts, among other things. All of these can cause gastrointestinal problems of varying degree. And then there are E. coli, shigella, typhoid and cholera.

There are also a handful of water-borne viruses to be wary of, including hepatitis A and polio, which are both preventable through immunization, as well as Norwalk and rotaviruses.

One of the more gruesome microorganisms, Dracunculiasis is among the most easily preventable through filtering. More commonly known as Guinea worm disease, the parasite enters its host in the guise of a water flea. About a year later, the mature worm, which may be as long as three feet, bores its way through an ulcer in the skin, typically through the feet or legs, and is then removed from the body by wrapping it around a stick and pulling in a process that can take anywhere from days to weeks or even months. It is painful and potentially crippling, and once contracted, there is no medical solution short of surgery.

Through the efforts of international health organizations, the number of people infected in the world had dropped in 1995 to about 130,000, which was less than 4 percent of the number infected 10 years earlier, according to a Centers for Disease Control and Prevention report. Except for a few remote villages in India's Rajasthan desert and in Yemen, according to the report, Guinea worm disease is now limited to parts of Africa.

LEST such a survey put one off travel, keep in mind that water-borne illnesses are to be found in the industrialized world, as well. Outbreaks of giardia and cryptosporidiosis have occasionally been traced to municipal water supplies, Rose writes, and 400 to 600 outbreaks of food and water-borne illness are reported each year in the United States.

Susan Keselenko Coll is a writer in Washington.

WILDE
Directed by Brian Gilbert.

U.K. "Wilde," an attractive, intelligent biography from the British director Brian Gilbert ("Tom & Viv") is equal parts history and unhappy love story. On the one hand, it is the account of a rebel: the great, sensation-making Irish playwright, poet, novelist and all-around wit, Oscar Wilde, whose writings and conventional-defying behavior shocked Victorian England. On the other hand, it is the tragic story of an ordinary man who, like Shakespeare's Othello, "loved not wisely but too well." As Wilde, Stephen Fry's softly pudgy face seems a mirror of the author's sensitive and supercilious countenance. Fry's Cupid's-bow lips appear made to drop such bombastic as, "In this world, there are only two tragedies. One is not getting what one wants, and the other is getting it." What he got, of course, was the love of Lord Alfred "Bosie" Douglas, a callow, aristocratic youth who today would be called a gold digger. The almost too beautiful Jude Law plays Bosie as a star-struck aspiring poet who genuinely adores Wilde, although he adores in equal measure the glamour of being seen with the older celebrity. Evoked by the remarkable Fry ("Cold Comfort Farm"), Wilde's painful transition from debonair dandy to doomed romantic is palpable. Fry brings



Stephen Fry in Brian Gilbert's film "Wilde."

a quiet strength to a role whose victimhood would probably be easier to portray than its dignity. Although there were doubtless unhealthy elements to the bond between the manipulative Bosie and his lover-mentor, Gilbert's film spends less energy anatomizing the tired stereotype of gay dysfunction than it devotes to the naive idealism that led Wilde to his demise in the first place. (Michael O'Sullivan, WP)

A PERFECT MURDER
Directed by Andrew Davis.

U.S. You don't have to believe a word of the strained dialogue in "A Perfect Murder" to be seduced by the movie's chilly high-gloss ambience and its skillfully plotted update of Frederick Knott's play (and Alfred Hitchcock's film) "Dial M For Murder." One vicarious fantasy the movie

gratifies is inhabiting a jaw-droppingly elegant Fifth Avenue apartment with a spectacular spiral staircase and a glorious view of Central Park. (And the movie lets you wallow around in the place just long enough so you begin to feel at home.) Another is that the truly rich who can afford such grandeur must be truly dissatisfied. (Their good fortune would be unbearable otherwise.) Steven and Emily Taylor, the attractive childless couple who live in this palace, fit the bill perfectly. As the movie opens, Emily (Gwyneth Paltrow) is cavorting in bed with a handsome young painter named David Shaw (Viggo Mortensen) in his Brooklyn warehouse loft. Little does she know that her lover is a ruthless con man and gigolo operating under a false name who has spent many years in prison. Nor is she aware that her husband (Michael Douglas), a shady Wall Street bond salesman, is about to lose his shirt as one of his Asian schemes goes bust. Even worse, her husband has discovered her clandestine affair and compiled a devastating dossier on David that he is planning to use against them both at the appropriate moment. The creepiest aspect of the film is

that there really is no coater between love and money. The movie is in tune with the Darwinian mood fostered by the booming late-'90s economy. (Stephen Holden, NYT)

THE TRUMAN SHOW
Directed by Peter Weir, U.S.

Peter Weir's must-see film is guaranteed Oscar bait and delectably clever entertainment, but hosannas and car wheels are over the top. Jim Carrey's instantly iconic performance as the sweet, unsuspecting Truman Burbank will give his career deserved new impetus, but the real star of "The Truman Show" is its premise. What if our taste for trivia and voyeurism led to the purgatory of a whole life lived as show-biz illusion? What if that life became not only the ultimate paranoid fantasy but also achieved pulse-quickening heights of narcissism? A Truman Burbank is a man who is about to lose his shirt as one of his Asian schemes goes bust. Even worse, her husband has discovered her clandestine affair and compiled a devastating dossier on David that he is planning to use against them both at the appropriate moment. The creepiest aspect of the film is

that there really is no coater between love and money. The movie is in tune with the Darwinian mood fostered by the booming late-'90s economy. (Stephen Holden, NYT)

ARTS GUIDE

AUSTRIA

VIENNA
Kunsthaus Wien, tel: (1) 712-04-95, open daily. To Aug. 30: "Picasso: Die Grosse Sammlung." A lesser-known aspect of Picasso's work: a collection of portraits, erotic drawings and terra-cottas given by the artist to his chauffeur and housekeeper.

BELGIUM

ANTWERP
Koninklijk Museum voor Schone Kunsten, tel: (3) 238-7809, closed Mondays. Continuing To July 26: "Pieter Bruegel the Elder and Jan Bruegel the Younger: A Family of Painters." Approximately 20 works on paper and 130 paintings by the sons of Peter Bruegel the Elder (1564-1625) are shown here.

BRUSSELS
Musée d'Art Ancien, tel: (2) 508-3211, closed Mondays. Continuing To June 28: "Rene Magritte." 200 paintings, gouaches, drawings and objects by the Belgian Surrealist (1898-1967).

BRITAIN

LONDON
British Museum, tel: (171) 323-8525, open daily. To Sept. 20: "The Print in Stuart Britain, 1603-1689." A survey of printmaking during the reigns of four Stuart kings in the 17th century, a period that saw the beginning of political caricature. www.british-museum.ac.uk
National Gallery, tel: (171) 747-2885, open daily. Continuing To Aug. 2: "Masters of Light: Dutch Painters in Utrecht." During the Golden Age, 60 paintings by 20 artists of the early 17th century, such as Rembrandt, van Baburen and van Honthorst.

CANADA

TORONTO
Art Gallery of Ontario, tel: (416) 979-6648, closed Mondays and Tuesdays. To Sept. 21: "The Courtauld Collection." More than 70 Impressionist and Post-Impressionist works on loan from the eponymous institute in London. The collection includes paintings by Monet, Manet, Degas, Renoir, Toulouse-Lautrec, Gauguin, Boudin and others, as well as works on paper. www.ago.net

FRANCE

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing To June 28: "L'Art au Temps des Rois Maudits." Art in Paris and the French provinces during the final decades of the royal house of the Capetians from 1285 to 1328.

Also, continuing to July 20: "Delacroix: Les Dernieres Annees, 1850-1863." More than 100 animal and hunting scenes, still lifes, religious themes and Moroccan impressions by the French painter (1798-1863).

MUSEE D'ART MODERNE DE LA VILLE DE PARIS, tel: 01-53-67-40-00, closed Mondays. To Oct. 4: "Christian Boltanski: Dernieres Annees." The exhibition has been conceived by the French artist (born 1944) as a "path" to be followed by the spectator. It focuses on the themes of memory, loss of identity and the contrast between each man's history and the anonymity of the masses.

GERMANY

FRANKFURT
Stadisches Kunstinstitut und Stadtische Galerie, tel: (69) 60-50-98-0, closed Mondays. To Aug. 2: "L'Art Ufian: Bilder und Skulpturen." Paintings and sculptures by the Japan-based Korean artist (b. 1936), one of the key artists of the Mono-ha group of critics.

WEIMAR-FRANKFURT
Vitra Museum, tel: (7621) 702-3200, closed Mondays. To Oct. 11: "Frank Lloyd Wright: Die Lebendige Stadt." Drawings, photos and architectural models as well as furniture and objects document the work of the American architect and designer (1867-1959). The exhibition will travel to Amsterdam, Glasgow and several cities in Germany. www.vitra.com

ITALY

FLORENCE
Palazzo Strozzi, tel: (55) 28-241, closed Tuesdays. To July 28: "Caterina la Grande." About 200 works from the Hermitage Museum in St. Petersburg, which was built in the 18th century under the reign of Catherine II, empress of Russia and patron of the arts, to house her collection.

VENICE
Palazzo Grassi, tel: (41) 522-1375, open daily. Continuing To June 28: "Picasso, 1917-1924: The Italian Voyage." Works created by Picasso following his 1917 trip to Rome, where he worked on decor, stage curtains and costumes for the Ballets Russes.

LUXEMBOURG

BANQUE GENERALE DU LUXEMBOURG, tel: 352-42-26-74, closed Saturdays. To July 10: "European Artists in Glass: Historical to Modernism." More than 200 pieces by European glass-makers between 1840 and today, including objects by Gallo, Daum, Baccarat and Venini. www.bgl.lu



From Paris to Singapore: Chagall's "Cubist Landscape," 1918-1919, is part of a modern art exhibition.

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-21-21, open daily. To Aug. 30: "The Secret Unlocked: German Furniture Opened." Nine pieces of furniture created by cabinet-makers from the end of the 16th to the end of the 18th century. The pieces contain ingenious drawers, secret compartments and many other surprises.

ROTTERDAM
Nederlands Architectuurinstituut, tel: (010) 440-1200, closed Mondays. To Aug. 8: "Rethinking the Modern: Proposals for the Museum of Modern Art." The New York museum is going into an extensive renovation and expansion program. The submissions of 10 architects are exhibited with models, plans, elevations and diagrams. www.nai.nl

SINGAPORE

Singapore Art Museum, tel: 332-3222, closed Mondays. To Sept. 13: "The Origins of Modern Art in France." More than 70 paintings and sculptures by French Impressionists and Post-Impressionists trace the evolution from figurative to abstract art, between 1880 and 1939. Also included are works by Fauvist and Surrealist artists.

SPAIN

VALENCIA
IVAM Centre Julio Gonzalez, tel: (6) 388-30-00, closed Mondays. To Sept. 6: "Tal-Coat." More than 50 paintings and 20 drawings as well as a few sculptures by the Breton painter (1905-1985). The exhibition features self-portraits, a recurrent theme in his works and shows how the artist ended up reconciling figuration and abstraction.

SWEDEN

STOCKHOLM
Nationalmuseum, tel: (8) 666-42-50, closed Mondays. Continuing To Sept. 27: "The City as Vision of Honor or Delight." Depiction of Stockholm through the eyes of artists and architects from the Middle Ages to the present day. www.nationalmuseum.se

SWITZERLAND

GENEVA
Musée Rath, tel: (22) 310-52-70, closed Mondays. To Sept. 13: "La Peinture Suisse Entre Realisme et Ideal, 1848-1906." In the second half of the 19th century, a new generation of painters emerged, whose realist visions evolved toward symbolism. The exhibition brings together paintings by Arnold Böcklin, Ferdinand Hodler, Giovanni Segantini and Felix Vallotton.

LUZERN
Villa Favorita, tel: (91) 972-1741, open Fridays, Saturdays and Sundays. To Nov. 1: "Theatre of Reason—Theatre of Desire: The Art of Alexandre Benois and Leon Bakst." Recreates the world of Diaghilev's Ballets Russes through the work of the two Russian artists: Benois (1870-1960) designed many productions before working with other theatres, including La Scala. The work of Bakst (1866-1924) on 12 productions evoked Egypt, the Orient and the Romantic era. Costume and stage designs, original costumes and book illustrations are on display.

ZURICH
Kunsthaus, tel: (1) 251-6765, closed Mondays. To Aug. 29: "The Bernhard Mayer Collection." From the collection of the German-born art dealer (1866-1946), a selection of works by Renoir, Cezanne, van Gogh, Picasso and Jawlensky.

UNITED STATES

CHICAGO
Art Institute of Chicago, tel: (312) 443-3800, open daily. To Aug. 30: "Songs on Stone: James McNeill Whistler and the Art of Lithography." The exhibition explores the relationship between Whistler's lithographic images and his work in oil, pastel, watercolor and etching. The 200 works include nudes, bustling shop fronts in Chelsea and Paris and portraits, including the haunting depictions of his dying wife. The exhibition will travel to Canada in the fall. www.artic.edu

HOUSTON
Museum of Fine Arts, tel: (713) 639-7300, closed Mondays. To Aug. 23: "Intimate Encounters: Love and Domesticity in 18th-Century France." Small-scale depic-

tions of scenes of everyday life during the reign of Louis XV (1723-1774). More than 45 paintings by Watteau, Boucher, Chardin, Fragonard and Greuze.

NEW YORK
Metropolitan Museum, tel: (212) 570-27-91, closed Mondays. To Sept. 8: "Sir Edward Burne-Jones." In commemorating the centenary of Burne-Jones's death, the museum presents more than 200 oil paintings, watercolors and drawings, as well as tapestries, stained glass, tiles, painted furniture and jewelry that reflect the romantic, medieval subject matter that seduced the British artist's work. www.metmuseum.org

SAN FRANCISCO
Solomon R. Guggenheim Museum, tel: (415) 423-3500, closed Thursdays. To Sept. 2: "Peggy Guggenheim: A Centennial Celebration." Traces the story of the art patron's life, from her childhood in New York to her artistic activities in Europe and to her later years in Venice where she created a museum for her collection of modern art. Features paintings, sculptures, photographs and personal memorabilia. www.guggenheim.org

SAN FRANCISCO
San Francisco Museum of Modern Art, tel: (415) 357-4000, closed Mondays. To Sept. 8: "Keith Haring." Brings together 100 works that trace the evolution of the American graffitiist from the early drawings to the large paintings, including those salvaged from New York subways. www.sfmoma.org

WASHINGTON
National Gallery of Art, tel: (202) 37-4215, open daily. Continuing To July 12: "Degas at the Races." 40 paintings and pastels, 60 drawings and 20 sculptures reflect Degas's fascination with horses.

CLOSING SOON

June 13: "American Photographs: The First Century." High Museum of Art, Atlanta.
June 14: "Anish Kapoor." Hayward Gallery, London.
June 14: "Jewels From a Photographic Collection." Van Gogh Museum, Amsterdam.
June 14: "Paul Klee." IVAM Centro Julio Gonzalez, Valencia, Spain.
June 14: "The Art of Holy Russia: Icons From Moscow, 1400-1850." The Royal Academy of Arts, London.
June 14: "The Swimmer in the Econo-mist (1997/1998)." A painting suite by James Rosenquist. Deutsche Guggenheim, Berlin.
June 14: "Paul Delvaux." Fundación Juan March, Madrid.
June 14: "Honore Lannuier, Parisian Cabinetmaker." "Elegant China Ware." Metropolitan Museum of Art, New York.

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INTERNATIONAL

Nigeria Moves Toward New Clash

Compiled by Our Staff From Dispatches

LAGOS — Opposition groups and Nigeria's new military regime appeared headed toward a confrontation as authorities hinted again Thursday that planned pro-democracy protests would be stopped with force.

"Such demonstrations are unnecessary at this point in time," said Lagos's military administrator, Colonel Mohammed Marwa. "This is a time for prayers."

The protests and a call for a nationwide strike Friday — initially intended to mark the anniversary of presidential elections on June 12, 1993 — have taken on added significance three days after General Abdulsalam Abubakar's rise to power as the country's latest military ruler.

Refusing to grant demonstration permits and warning against the protests, Colonel Marwa told government opponents Thursday, as he did Wednesday, to "avoid any situation that would invite

the use of force." General Abubakar has angered Nigeria's opposition by offering only a vague pledge to continue a transition to civilian rule that began under General Sani Abacha, the dictator who died of a heart attack Monday.

Despite promising to turn the government over to civilians by Oct. 1, General Abubakar appeared to be consolidating power and eliminating potential rivals.

Opponents determined to push General Abubakar and the army out of power say they will challenge the new leader's mandate in court.

Gani Fawehinmi, a Lagos attorney and one of the country's best-known opposition activists, said he would file a suit against the general. Mr. Fawehinmi said there was nothing in Nigerian law to say that a chief of defense staff succeeds the head of state.

"The empty maiden address of Gen-

eral Abubakar has confirmed that there is no hope for Nigeria in Abacha's successor," said Mr. Fawehinmi, speaking at a press conference on behalf of the umbrella opposition group, the Joint Action Committee for Nigeria.

He said the group would go ahead with demonstrations in Lagos on Friday.

A combination of fear of violent repression by the police and apathy among a weary population has often limited the success of protest demonstrations. The police routinely fire into crowds of demonstrators in Nigeria.

Local financial markets, meanwhile, gave a cautious thumbs-up to General Abubakar. The naira strengthened more than 2 percent as hopes that the general would fulfill his promise to quit in October stemmed capital flight.

The naira traded on the open market at 87.80/88.80 to the dollar against 91.50/92.50 on Wednesday. (AP, Reuters)



Student demonstrators arriving at the Indonesian Parliament on Thursday to call for reforms and lower prices.

ASIA: Region's Economic Collapse Seems to Be Accelerating

Continued from Page 1

The tidal wave of bad news is fraying nerves here, as people have begun taking their troubles into the streets. In South Korea, tens of thousands of workers walked off their jobs late last month to protest impending layoffs. In Hong Kong, a noisy crowd of 200 apartment owners marched on the government to complain about the plunging value of real estate. In Indonesia, where the privatisation is by far the worst, rioters turned their capital, Jakarta, into an inferno of gutted shops and cars.

The prime minister of Malaysia, Mahathir bin Mohamad, summed up the frustrations of the region in a speech in Tokyo last week when he warned that Asia's travails could provoke a "guerilla war" against Westerners, whom he accused of seeking to profit from the downturn by taking control of Asia's economies.

If anything, foreign sentiment toward Asia has turned even bleaker in the past two weeks, with the slide in the yen. Japan's economic malaise has dire implications because many analysts regard it as the locomotive that could propel Asia's recovery.

The fear among investors is that a chronically ill Asia will infect the U.S. economy, which has so far seemed blithely unconcerned about the meltdown across the Pacific. Now, though, there are troubling symptoms: American companies dependent on sales to Asia are reporting anemic earnings, and overall, exports from the United States declined 3.4 percent in the first quarter of 1998.

Nor is relief in sight. After making bold predictions that Asia would bounce back in six months, most economists and analysts now agree it will be flat on its back for at least another year. A full recovery could take up to five years.

Hard times have also aggravated

political tensions across the region, fracturing a public consensus that favored aggressive, growth-oriented policies — even if it meant sacrificing political liberties. In the most spectacular example, those tensions contributed to the ouster last month of President Suharto, who had ruled Indonesia with an iron grip for more than three decades.

While Malaysia's political situation appears more stable, some analysts said it could be the next flash point, as Mr. Mahathir tries to salvage an ambitious development program in a collapsing economy. Malaysia shares Indonesia's problem of latent tension between natives and ethnic Chinese people, a minority of the population who control a large portion of the economy.

Even in Korea and Thailand, where leaders identified with discredited old practices were swept out in favor of more reform-minded politicians, tensions remain. Political leaders are facing a backlash from a public desperate for relief from the economic pain.

"They've never had to face this kind of thing before in Asia," said David K.P. Li, chairman of the Bank of East Asia in Hong Kong.

Sometimes it seems that the politicians cannot do anything right. In Hong Kong, the government announced a seven-point stimulus package that aims to bolster tourism and soothe the property market. Critics, including Mr. Li, derided the measures as "too little, too late." In Malaysia, Mr. Mahathir criticized the central bank for setting interest rates too high, which he said strangled the economy. But he was later contradicted by his own deputy prime minister, Anwar Ibrahim.

Much of the tension can be traced to the role played by the International Monetary Fund, which has put together a \$100 million rescue package for Indonesia, South Korea and Thailand. Far from being

viewed as a neutral disburser of funds, the IMF is often seen as a sort of fifth column in Asia — blamed for everything from high interest rates to the mayhem in Jakarta.

Defenders of the fund said it has succeeded in forcing countries like South Korea and Thailand to purge excesses from their economies — such as unregulated banks and "crony capitalism," in which well-connected business people receive sweetheart deals. Under pressure from the IMF, even Indonesia's new president, B.J. Habibie, is going after the excesses of his predecessor, Mr. Suharto.

"Koreans who know better know that without the IMF, the government would have had to declare a moratorium," said Richard Samuelson, executive director of SBC Warburg Dillon Read in Seoul.

But critics said the fund's fiscal and monetary prescriptions — which favor high interest rates and stable exchange rates, even at the cost of recession — are strangling some Asian economies by choking off credit.

"A lot of people are questioning whether the IMF's policy is squeezing the economy dry," said an executive at a major Thai bank. "You're no longer just squeezing the cronies," he said. "You're making it impossible for normal businessmen to do business."

For the immediate future, though, Japan may be the single biggest determinant of how long Asia's torment will last. Without a revival of consumer spending in Japan, analysts say, exports in the rest of Asia will continue to sag. And the weaker yen will continue to hobble other regional currencies.

"If Japan doesn't solve its problems, the region is in big trouble," said Rajiv Malik, an economist at Jardine Fleming International Securities in Singapore. "America thought Korea was a problem, but Japan is like a bomb a hundred times more powerful than Korea."

NATO: Air Operations Ordered Near Kosovo as Warning to Serbs

Continued from Page 1

saber-rattling by the international community, which fears the conflict may soon overwhelm neighboring Albania and Macedonia as well. Many ethnic Albanians live in Macedonia.

In the worst-case scenario, officials worry that two alliance members, Turkey and Greece, could be drawn into a confrontation that could engulf much of Southeastern Europe.

Mr. Solana said the alliance was trying to coordinate its military plans with diplomatic initiatives by other players.

Foreign ministers of the eight major industrial democracies will discuss Kosovo at a meeting in London on Friday. Mr. Milosevic is expected to visit Moscow next week for talks with President Boris Yeltsin.

"The world has learned its lessons from Bosnia," said Britain's defense secretary, George Robertson. "The international community now knows it must be united, firm and determined from the earliest possible moment in dealing with the Balkans."

European officials said that in contrast with its stand in the Bosnian war, the United States has been notably reticent about taking a lead role in promoting an early resolution of the crisis.

These officials cited the reluctance of the Clinton administration to be drawn into new military commitments during an election year, when about 6,000 American soldiers are still on peace-keeping duty in Bosnia.

"We believe a diplomatic solution is best for Kosovo," said the defense secretary, William Cohen.

While he chastised President Milo-



sevic for "his indiscriminate use of force," he also warned Kosovo Albanians not to misinterpret NATO's air exercise as a signal of support for their separatist cause and urged them to avoid "provocations" that could enflame the crisis.

A senior U.S. official said the NATO air exercises would include simulated bombings against hostile targets. But he cautioned against seeing the decision as a prelude to direct intervention, saying, "This is an exercise, not a rehearsal."

Germany's defense minister, Volker Ruehe, said defense planners would select targets for air strikes across Yugoslavia, though he ruled out cities or other civilian areas.

Military sources said the targets would focus on command and control centers that the Yugoslav armed forces

are using to direct "scorched earth" operations.

Mr. Ruehe said other future options would include the imposition of a no-fly zone in order to ground the Yugoslav air force and to enforce an "exclusion zone" that would ban the presence of all heavy weapons.

Just two weeks ago, NATO foreign ministers gave orders to alliance defense planners to study the plausibility of sending up to 20,000 troops to areas in Albania and Macedonia to monitor their borders with Kosovo.

The purpose of such a move was to prevent fighting from spilling across neighboring frontiers.

But alliance teams that traveled to the region reported the mission would be nearly impossible to carry out in the mountains along the border.

Instead, Klaus Naumann, head of the NATO Military Committee, gave a strong recommendation to use airpower. He said studies showed that well-executed air raids could halt the conflict.

"If we were assigned the task of enforcing an end to the fighting — this naturally applies to both sides, the Serbs and the Kosovo Liberation Army — we could ensure that goal with air strikes just as we did in Bosnia," he said.

■ **A Yugoslav Warning**

The Serbian deputy prime minister, Vojislav Seselj, warned NATO countries on Thursday that Yugoslavia would defend itself against military intervention by the alliance. Reuters reported from Belgrade.

Mr. Seselj, an ultranationalist radical allied with President Milosevic, said at a news conference the threat was serious.

INDONESIA: Army Supports Reforms If Protests Stay Peaceful

Continued from Page 1

province of East Timor, where tens of thousands of people have died in a separatist guerrilla war, students were permitted to hold a third day of rallies calling for independence from Indonesia.

Many of the student demonstrators are calling on Mr. Habibie, who was Mr. Suharto's chosen vice president, to step down and allow a new breed of leaders to take over. The demonstrators are backed by opponents of the government, who air their views on almost-daily television discussions.

But General Wiranto said the armed forces saw Mr. Habibie as the country's "constitutionally legal" leader and would defend any unconstitutional attacks on his tenure.

The general's press conference followed a meeting with Mr. Habibie at the presidential palace, where he was joined by more than 100 of the country's top officers in a show of solidarity.

He voiced concern that the spreading demonstrations by students and labor groups could degenerate into anarchy.

These demonstrations and sit-ins have targeted local officials who are seen as corrupt and factories where workers have been prevented from expressing their grievances.

General Wiranto said he had ordered military officers and police chiefs around the country to take action against any unconstitutional activities.

"The reform movement in the country must be controlled and watched to prevent it from getting out of hand," he said. "The most dangerous thing that can happen is its manipulation by certain groups whose real objectives differ from the movement's pure aspirations."

Without naming any groups, he said: "We can see their activities in the provinces. They show their hand in excessive demonstrations or in such actions as the occupation of government offices. We cannot allow these activities to continue indefinitely."

The daily newspaper Kompas quoted the Jakarta military commander, Major General Syafriz Syamsuddin, as having said that he had ordered his forces to secure the safety of the capital. He said

25,000 soldiers were deployed here. During the meeting with military leaders, Mr. Habibie called on them to act with professionalism and ordered an investigation into growing claims that organized groups were involved in fomenting the riots that swept through Jakarta and other cities immediately before Mr. Suharto's resignation May 21.

Human rights groups who are documenting such activities say they do not know who might have been involved but suggest that some branches of the military or security services may be to blame.

The rights groups say they have documented 1,188 deaths in Jakarta alone during three days of rioting, as well as the destruction of more than 4,000 businesses, 1,000 homes and 1,000 vehicles. They have accused the military of failing to act to prevent and quell the riots.

Women's crisis centers and human rights groups also say that more than 100 women were attacked or raped during the riots in what appeared to be a campaign of intimidation and brutality, especially against the Chinese.

RUBIN: As Yen Plunges, Tokyo Is Told to Act to Restore Economy

Continued from Page 1

impact on East Asian countries."

Concerns by traders that the yen's slide could lead to a new round of Asian currency devaluations pushed U.S. and European stock markets down sharply. The Dow Jones industrial average closed down 159.93 points at 8,811.77.

Most European markets also fell, with London's key Financial Times 100-share index closing down 2.25 percent. In Asia, Tokyo's benchmark Nikkei-225 index closed down 2.12 percent.

Slumping stocks and currencies in Russia and Asia have, meanwhile, increased demand for the dollar, which hit a seven-week high late Thursday against the Deutsche mark, at 1.8078 DM.

"You have a crisis in the world — Russia, China, and the rest of the Pacific," Scott Weiner, global bond chief at Payden & Rygel in Los Angeles, told Bloomberg News. "We'll see dollar strength as long as the crisis continues."

Mr. Rubin spoke a day before Japan was expected to report that its economy contracted in the first quarter, as it had in the previous quarter. Economists consider two consecutive quarters of contraction to mean that an economy is in recession.

Traders expect the Bank of Japan to intervene to help the yen, but such an effort might not stem the currency's slide over the long term.

In Beijing, a Foreign Ministry spokesman called on Japan to halt the yen's slide, but insisted that the Chinese policy of not devaluing its currency remained unchanged. The spokesman, Zhu Bangzao, also said China would back the Hong Kong dollar's peg to the U.S. dollar.

"We hope Japan and the relevant countries can face the reality and use courage and wisdom in taking effective measures to stop the further devaluation of the yen to create necessary conditions for the recovery of the economy," Mr. Zhu said.

Chinese export growth slowed in May for the first time in 22 months, according to data released Wednesday, and analysts said the weakness of the yen and of the Japanese economy were key factors.

The United States and other countries have pressed Tokyo to stimulate its economy and deregulate its financial system, hoping that renewed Japanese growth would trigger a recovery in Asia.

But Japanese officials have said that the results of an earlier economic package will not become clear until next month.

U.S. worries about Asian financial instability have been mitigated by continuing strong economic growth at home. With demand from other countries slowing, the U.S. trade deficit has continued to expand, Mr. Rubin said. But a rising trade deficit, he said, is not likely to rattle the U.S. economy.

Declining shipments to Pacific Rim countries caused U.S. exports to drop by 3 percent in the first quarter. "Even with the rise in the trade deficit, we estimate the most likely scenario for the U.S. economy for the period ahead is sustained growth, low inflation and low unemployment," he said.

His comments echoed the observation a day earlier by the Federal Reserve Board chairman, Alan Greenspan, that America's current expansion was "as impressive as any I have witnessed."

Mr. Rubin appeared to suggest that the United States would not intervene to bolster the yen but later clarified his remarks to make clear intervention was always an option. During questions by members of the Senate panel, Mr. Rubin said that intervention on currency markets generally had only a temporary effect.

When currency traders learned of his remarks, which suggested a hands-off U.S. approach, the yen plunged. But when the Treasury secretary's aides slipped him a note about the yen's fall, he clarified his statement, saying that intervention "is always a tool that's available."

Mr. Rubin said intervention could be "useful at times" but stopped short of

saying that the administration planned to sell dollars, adding that "fundamentally over any period of time that currencies will follow fundamentals."

He added: "The fundamental key to the yen is what happens inside Japan."

In Paris, Finance Minister Dominique Strauss-Kahn said that deputy finance ministers of the Group of Seven countries, who were meeting to discuss Russia's financial troubles, had taken no decision on concerted action to bolster the yen.

Mr. Strauss-Kahn said he "wanted to believe" reassurances from Japanese officials that the downward trend in the yen would be reversed starting next month, as earlier reforms took effect.

FRANCE: Workaholics Being Raided

Continued from Page 1

cadres. This category, often loosely assimilated with "manager," actually embraces almost a quarter of France's nearly 15 million-person workforce, including not just top executives but also nearly all skilled professionals employed in big companies.

What cadres have in common is not their managerial rank but a quasi-exclusive social status — and a tradition of working long, often irregular hours without claiming overtime.

Spurred by Jobs and Solidarity Minister Martine Aubry, the government has decided to end this practice as part of its campaign to force companies to shorten hours and create more jobs.

Enforcing the change on cadres has turned out to be a controversial idea in France, partly with cadres themselves and above all with businesses. They complain that accommodating the need for shorter hours for cadres will disrupt their performance and make French companies less competitive.

In the United States and elsewhere, rival companies have more flexibility because of less-rigid labor regulations and more individual contracts with skilled personnel, which are not dictated by French-style industry-wide negotiations.

The skirmishing in France has on occasion attained tragicomic proportions, with French chief executives dropping public hints that they have rented hotel rooms for their executives to work clandestinely.

As a riposte, job inspectors have sought to monitor executives' personal computers to detect whether they have been used for company business at home to circumvent the ban.

In the current climate, a workaholic executive risks a reprimand because his boss fears that a trade union official — or even a disgruntled fellow executive — will inform on the company, inviting unwelcome attention from job inspectors.

For similar reasons, executives interviewed for this article declined to discuss their own companies by name.

Nevertheless, inspectors are known to have successfully charged Alcatel, Thomson-CSF, the big defense electronics firm that is being privatized, Carrefour, the country's largest supermarket

chain, and Credit Local de France, a bank with branches throughout the country.

All these companies have complied with the new government demands, which were aimed mainly at high-tech industries heavy in nonmanagerial cadres.

Confirming the list, Francette Aubert, spokesman at the Ministry of Jobs and Solidarity, said that the inspectors had issued thousands of notices of violations targeted at "a few big enterprises to clarify the legal status of cadres," which currently is unclear.

A corporate head had a blunter interpretation: "The big test cases were intimidation," he said.

Political bargaining is just getting underway about a bill on cadres, which is due next year as the final act of legislation that started last month on the 35-hour week. But French big business has already started negotiating with employees about a workweek for cadres.

As a result, the raids have been suspended for several weeks and may not resume. Few employers have any remaining appetite for tangling with the job inspectors, a nationwide corps of 420 persons who come under the Ministry of Jobs and Solidarity but enjoy considerable autonomy in tracking down abuses of labor laws, often in close collaboration with unionized employees.

The inspectors' militancy can be unnerving.

A test of wills at Thomson Radars and Countermeasures, a subsidiary of Thomson-CSF, involved charges this spring of 1,500 violations, according to sources in the company. Top management, facing personal fines in excess of \$100,000 and the threat of jail, finally agreed to shut the main corporate facility every day at 7 P.M.

At the core of the conflict is the perception of many French cadres that the government wants to take away their status.

Technically a payroll category, the title of cadre carries some fringe benefits, but for many it is also a social badge, separating quasi-professional people from other workers in a business and giving them status as part of a middle class whose work is somehow associated with incentives rather than with union-negotiated sectoral pay raises.

POLICY: Business Is Unhappy With Republican Conservatives

Continued from Page 1

The IMF legislation faces opposition from some Republican leaders ideologically opposed to the multilateral agency.

Social conservatives also are insisting that the legislation include anti-abortion provisions that could prompt President Bill Clinton to veto the measure.

"Everything went south in a big way" after Newt Gingrich, Republican of Georgia and House speaker, and other leaders "tried to make up with James Dobson and the other religious right guys," said a representative of a Fortune 500 company whose firm has given substantial support to Republican candidates.

Mr. Dobson heads the conservative group Focus on the Family.

"They gave away the store and we were on the shelves," said the corporate lobbyist, who declined to be identified. "I have told my PAC director to consult with me before making any decisions,

and to keep a lookout for pro-trade Democrats we can trust in the crunch."

However, Bob Doyle, a Democratic fund-raiser whose clients tend to be pro-business, said that corporations have yet to open their spigots for Democrats. "We are trying to mine those shafts," he said, "but it's not happening yet."

A number of corporations involved in trade with China were particularly disturbed by a letter signed by 152 Republicans, including the entire House leadership, calling on Mr. Clinton to abandon his trip to that nation until allegations that waivers on technology exports were influenced by campaign contributions are fully investigated by the Justice Department and Congress.

"It's a little bit scary," said Paul Huard, senior vice president of the National Association of Manufacturers.

"The younger Republicans tend to have a more protectionist view or to be susceptible to a protectionist argument."

The comments by business leaders have provoked a firestorm both on Cap-

itol Hill and in the conservative religious community. "We are disappointed and our feelings are hurt," said the House whip, Tom DeLay, Republican of Texas. "We have completely turned around the government in a new direction, and we still have people in the culture of Washington who cannot recognize that."

Christina Martin, a spokeswoman for Mr. Gingrich, said the leadership has been pushing pro-business bills. "Here is a friendly reminder for disgruntled D.C. business groups: The Republican Party is the party of small business, mom-and-pop storefronts and mainstream entrepreneurs, not out-of-touch K Street lobbyists. Are these types really happier with the Democrats?"

A major point of contention is the House-passed Freedom From Religious Persecution Act. It would ban exports to foreign agencies charged with persecution, cut off nonhumanitarian aid and require U.S. opposition to loans by the IMF and other multilateral agencies to countries accused of persecution.

150 من الاجل

JUNE 12, 1998.

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No Matter What Tokyo Does, Yen Is Bound to Lose

By Gretchen Morgenson
New York Times Service

NEW YORK — The yen must fall. Even further than it has. So say several veteran Japan-watchers. While economists argue about when and how the Japanese government might act to reverse the nation's economic slide, they say that even if the government takes decisive action, the yen will still plunge.

If Japan reports Friday that the economy contracted again in the first quarter, as is expected, economists will characterize it officially as in recession.

Severe weakness in the yen's exchange value has already taken the dollar from 135.50 yen a month ago to 143.98 on Thursday. The Japanese central bank increasingly appears incapable of stopping the plunge.

"I don't think an intervention by the Bank of Japan, even a massive one, can reverse the slide," said David Horner, a financial strategist with Merrill Lynch & Co. in New York. "The worst is yet to come."

Mr. Horner expects Japan's central

bank to try to prop up the currency soon. But he expects any intervention to be modest compared with the \$25 billion yen-buying spree by the Bank of Japan in mid-April.

As a result, the currency may rebound here and there, but the long-term outlook seems grim indeed. Mr. Horner says the yen could fall within eight weeks, taking the dollar to a rate of 148 yen.

Others agreed. "Japan is in depression," said Robert Parks, a former Wall Street economist and a professor of finance at the Lubin Graduate School of Business at Pace University in New York. "And the Japanese are not taking effective action to get out of depression."

The first thing Japan must do to give its economy some lift, Mr. Parks said, is to increase demand at home. The current lack of demand shows up in several ways. In May, Japanese wholesale prices fell by 2.3 percent from their level a year earlier.

Another measure is inventories. Even considering that Japanese companies normally carry two-and-a-half times as much inventory for each unit

of output as American companies do, the inventories overhanging the Japanese economy today is staggering at 22.5 percent above the average level in the 1980s. Corporate inventories are now double the level of their last peak in 1992.

But it is not easy to increase the demand for goods and services in a country where the working population is declining by one-half of 1 percent annually.

The remedy? Japan must stimulate its economy by cutting taxes and spending more on public works projects that are not bondfodder.

And, Mr. Parks argued, the central bank must finance these projects with money fresh off the printing presses.

If the bank did not create new money and instead sold debt to pay for the projects, it would merely sop up funds that might otherwise go to investment or consumption.

But revving up the printing presses is something the Japanese are loath to do. For one, it goes against a monetary

policy in place since 1990. Japan's money-supply growth, running about 4 percent last year, has come down from 20 percent in the early 1970s and 9 percent in 1990.

Printing money is also deemed inflationary by the Japanese and therefore deeply feared. Creating a fresh supply of yen would also push the currency's value down further.

Therein lies the dilemma. If the government were to let the budget deficit run bigger than this year's estimated 3.8 percent of the gross domestic product, the yen's value would fall. If the government did nothing, it would fall as well.

"The yen is tumbling either way," Mr. Parks said.

A tumbling yen could be expected to cause another bloodletting among the already weak Asian economies.

Finally, a sharply declining yen would devastate Japanese stocks, already down more than 7 percent this year.

Conclusion: Investors buying into the Japanese market in the belief that it is the bargain basement may soon learn that they are nowhere near the cellar.



Prime Minister Sergei Kiriyenko, left, conferring with an aide Thursday.

Russia to Double Credit To Shore Up Finances

By David Hoffman
Washington Post Service

MOSCOW — Russia, scrambling to shore up its weak public finances and restore investor confidence, announced plans Thursday to nearly double planned borrowing on global credit markets, and officials hinted at a sale of some state shares in the natural gas monopoly Gazprom, one of Russia's corporate crown jewels.

The Russian stock market continued to slide after the vague statements from international finance officials meeting in Paris that, if needed, the International Monetary Fund would put together a new package for Russia. The markets had been looking for a firm signal that a Russia rescue loan was in the works. The Russian Trading System's main index closed down 3.3 percent at 178.13.

"Investors are frozen like deer in the headlights," Eric Kraus, chief strategist at Regent European Securities in Moscow told Bloomberg News.

"The market is waiting for something that obviously is not happening," Tim Johnston, executive director for marketable securities at Alfa Asset Management in Moscow, told Bloomberg.

Officials have said the IMF and Russia are in exploratory talks about new financing. The IMF has sent Moscow a list of conditions for new aid, which include off-stated goals of reducing Russia's budget deficit and improving tax collection. The steady erosion of

Russia's public finances, as well as the larger impact of the Asian financial crisis on emerging markets, has sent investors scurrying in recent weeks.

Finance Minister Mikhail Zadornov said Thursday that Russia, which had planned to borrow \$3.5 billion this year in Eurobond issues, would raise the total to \$6 billion. Mr. Zadornov said Russia was moving to tap cheaper global credit markets, rather than borrow at home, because domestic interest rates have jumped significantly in recent weeks. So far this year, Russia has placed three separate Eurobonds denominated in Italian lire, U.S. dollars, and Deutsche marks, for a total of \$2.5 billion.

Specialists have said one of Russia's most pressing problems is the growing burden of its relatively short-term domestic debt, especially bonds known as GKOs. The interest payments on the debt have been snowballing and making it even harder for Russia to close its budget deficit. The yields on these bonds this week reached 58 percent annually, down from earlier peaks but still relatively high.

The search for additional cash has focused on plans to sell off some state-owned companies. An unsuccessful auction for the oil company Rosneft in May triggered the latest bout of investor doubts because it left a gaping hole in the Russian budget. Bidders shunned the original \$2.1 billion price tag, which has now been dropped to \$1.6 billion.

"We want to attract more investors,"

See MOSCOW, Page 19

GM Braces For Strike To Widen

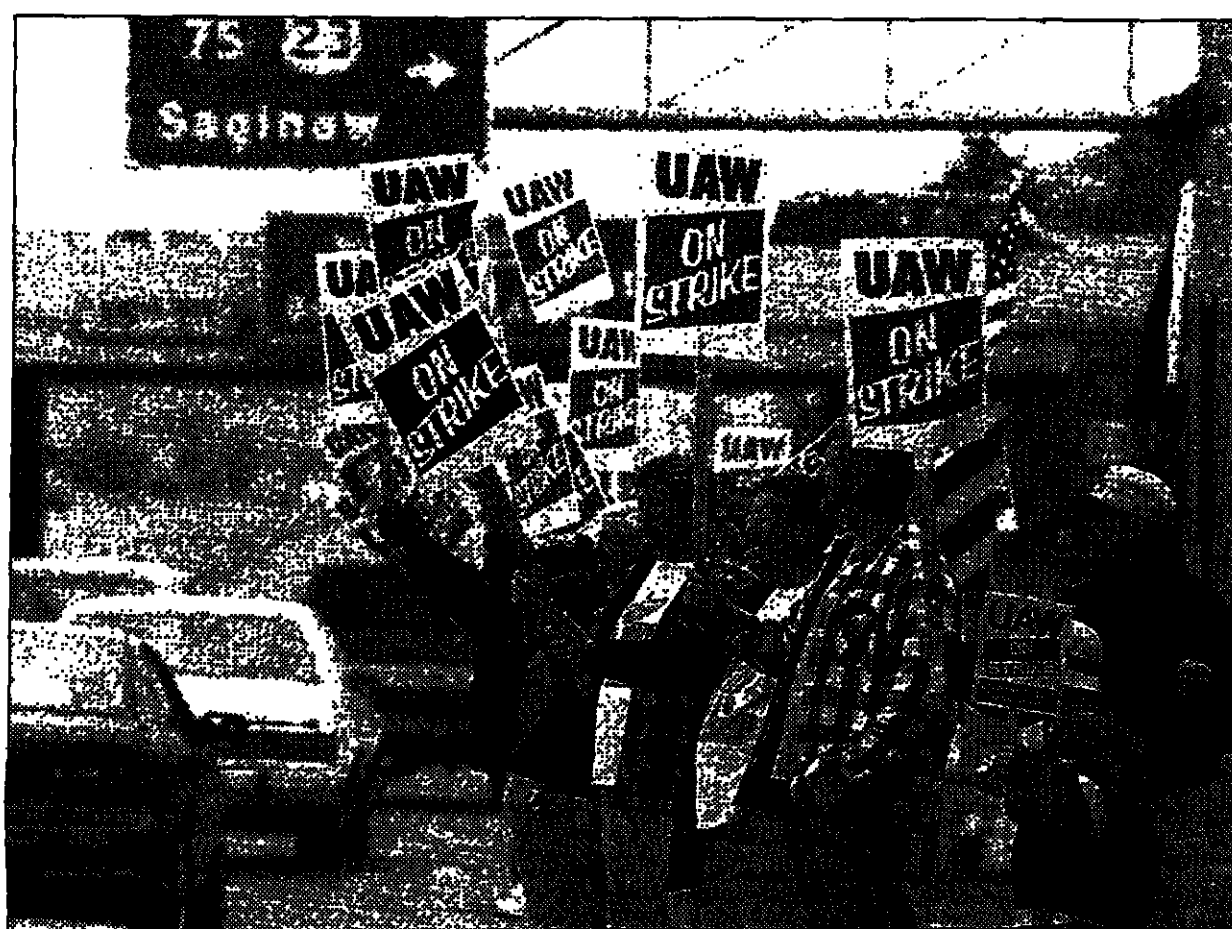
Bloomberg News

FLINT, Michigan — General Motors Corp. closed an eighth assembly plant Thursday because of a parts shortage caused by a strike as the world's largest automaker braced for a second walkout that could lead to a shutdown of its 30 North American assembly plants.

GM said it idled 1,800 workers at a Wentzville, Missouri, truck and van plant, and also sent home workers from several parts plants. That brings to 24,500 the number of layoffs caused by a strike at a Flint, Michigan, parts plant.

Negotiations resumed Thursday at the Flint plant, where 3,400 members of the United Auto Workers went on strike last Friday, and at a nearby parts plant, where 5,800 workers planned to strike Thursday. GM executives and union officials described the prospects for a quick settlement as slim. The impact of the labor problems is "likely to grow, threatening shutdown of entire company by the end of next week," said Jack Kirman, a Salomon Smith Barney analyst.

GM shares closed Thursday \$2.50 lower, at \$70.1875.



Striking GM workers manning a picket line at the entrance to the Flint Metal Center plant in Flint, Michigan.

Mitsubishi to Pay \$34 Million in Sex Suit

Compiled by Our Staff From Dispatches

CHICAGO — Mitsubishi Motor Manufacturing of America Inc. agreed Thursday to pay \$34 million to settle a sexual harassment suit filed by the U.S. Equal Employment Opportunity Commission, the largest such payment ever.

The commission sued Mitsubishi in April 1996, alleging that the automaker allowed women to be groped and subjected to lewd jokes and behavior while working on the assembly line at its plant in Normal, Illinois.

The \$34 million is to go to more than 300 women who charged harassment at the plant.

"Make no mistake about it, the Mitsubishi situation is not unique, and no employer should assume that it can't happen in my company," said the commission chairman, Paul Igarashi. "Other employers should take heed. EEOC will aggressively pursue problems like this."

The settlement, which is subject to federal court approval, also requires Mitsubishi to provide mandatory sexual harassment training to employees, revise its sexual harassment policy as necessary and investigate allegations

of harassment within three weeks.

A three-person panel will monitor the company's compliance.

The cash settlement covers women who have worked at the plant since 1987. The previous record for a sex harassment case brought by the equal opportunity commission was a \$9.85 million settlement agreed to this year by Astra USA Inc., the American subsidiary of the Swedish pharmaceutical company.

The Mitsubishi women who complained contended that male workers and supervisors kissed and fondled women, calling them "whores," "bitches" and more obscene terms; displayed sexual graffiti and pictures; and demanded sexual acts, retaliating against women who refused.

Mitsubishi then came under fire for taking a hard line toward the commission suit, including financing a bus trip for 2,000 workers and managers who picketed outside the commission's offices in Chicago, more than two hours away.

The group earned a day's pay and got a free lunch.

Representatives for the government and Mitsubishi had been due in court

Friday for a hearing on how settlement talks were progressing. A U.S. District Court judge, Joe Billy McDade, had encouraged a settlement of the lawsuit, and in mid-April appointed a retired U.S. Court of Appeals judge, Abner Mikva, to a special 30-day term to oversee settlement talks between the two parties.

Both sides had agreed to continue the talks after Judge Mikva's original 30-day period of oversight ended in May. Judge McDade instructed attorneys for the commission and Mitsubishi not to talk publicly about the negotiations.

The class-action lawsuit claimed that sexual harassment at the Mitsubishi plant was "repeated, routine, generalized, serious, pervasive and known to and supported by management."

A separate lawsuit filed in 1994 by 27 women, who complained of groping, fondling and other harassment, was settled by Mitsubishi last year for a reported \$9.5 million payment to the women.

Mitsubishi Motor Manufacturing is a unit of Tokyo-based Mitsubishi Motors Corp. (AP, Bloomberg)

Shadowy Market for Private Data Is Booming

By Robert O'Harrow Jr.
Washington Post Service

WASHINGTON — Once thought to be as safe from prying eyes as the inside of a bank vault, details about Americans' personal bank accounts and investments now are hot commodities in the booming market for private information on the World Wide Web.

In pitches on the global network that blur the line between what is public and private, companies such as Advanced Research Inc. in Stroudsburg, Pennsylvania, tout their ability to deliver details about account balances, stock portfolios and myriad other holdings.

TR Information Services in Miami says it will take orders for such details 24 hours a day. The Pathfinder Group in Falls Church, Virginia, says it can deliver its financial reports in four days or less, a service the company markets to lawyers and law enforcement agencies.

"Use this search when bank account information is needed quickly (2 to 4 business days), and where there is a need for specific account numbers and up-to-the-minute account balances," says Pathfinder's pitch for its \$325 "Enhanced Bank Account Search."

The ability of brokers to root out such information has alarmed some banking officials, law enforcement authorities and privacy specialists, who say almost anyone with a few hundred dollars can buy confidential financial information about another individual.

The trend also raises new questions about the security of telephone banking systems designed to make life more convenient for busy consumers. While some Web sites suggest the information is gleaned from giant databases, brokers often get it over the telephone from bank and brokerage clerks, sometimes in ways that may violate the law, authorities said.

A former employee of a Massachusetts information

broker told the authorities recently that callers posing as customers pepper banks with inquiries until they find someone who seems willing to help. The callers then use widely available personal information, such as a Social Security number, to coax a clerk to share information.

"They say things like 'I'm in the office and I forgot my checkbook. Can you use my Social Security number?'" according to an affidavit.

Officials at Advanced Research, TR Information Services, Pathfinder Group and other information brokers said what they do is a small and legal part of the information market on the Internet.

They said lawyers, debt collectors and private investigators buy the data to help in

civil lawsuits, divorces and other financial matters. Prices range from just over \$100 for a modest search to several thousand dollars for a look at banks nationwide and a report that includes information about stocks, mutual funds and safe-deposit boxes.

"I think we provide a very legitimate service," said Terry Gibeau, president of Pathfinder Group, who cited competition in declining to describe how he obtains his information.

"We only work for law enforcement and lawyers," Todd Mayers, president of TR Information Services, said he was not sure how all his subcontractors get the information sold by his firm. But he said some might use databases, while others use a method known as "pretext calling" in which "they'll call the banks and semi-fine."

See PRIVACY, Page 18

CURRENCY & INTEREST RATES

Cross Rates									
	1	2	3	4	5	6	7	8	9
Australian dollar	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20
British pound	1.60	1.59	1.57	1.55	1.53	1.51	1.49	1.47	1.45
Canadian dollar	1.38	1.37	1.35	1.33	1.31	1.29	1.27	1.25	1.23
French franc	165.00	164.50	164.00	163.50	163.00	162.50	162.00	161.50	161.00
German mark	1.75	1.74	1.72	1.70	1.68	1.66	1.64	1.62	1.60
Italian lira	1,936	1,930	1,924	1,918	1,912	1,906	1,900	1,894	1,888
Japanese yen	143.98	143.50	143.00	142.50	142.00	141.50	141.00	140.50	140.00
New Zealand dollar	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20
Portuguese escudo	200.48	199.96	199.44	198.92	198.40	197.88	197.36	196.84	196.32
Spanish peseta	166.37	165.85	165.33	164.81	164.29	163.77	163.25	162.73	162.21
Swedish krona	1.36	1.35	1.33	1.31	1.29	1.27	1.25	1.23	1.21
Swiss franc	1.48	1.47	1.45	1.43	1.41	1.39	1.37	1.35	1.33
Taiwan dollar	35.00	34.80	34.60	34.40	34.20	34.00	33.80	33.60	33.40
Thai baht	55.00	54.80	54.60	54.40	54.20	54.00	53.80	53.60	53.40
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Yen	143.98	143.50	143.00	142.50	142.00	141.50	141.00	140.50	140.00

Libor-Libor Rates									
	1	2	3	4	5	6	7	8	9
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Key Money Rates									
	1	2	3	4	5	6	7	8	9
Discount rate	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Prime rate	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Federal funds	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
90-day CD (bank)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
180-day CD (bank)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1-year CD (bank)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Other Dollar Values									
	1	2	3	4	5	6	7	8	9
Argentine peso	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Brazilian cruzeiro	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Chinese yuan	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27
Indian rupee	47.83	47.83	47.83	47.83	47.83	47.83	47.83	47.83	47.83
Israeli sheqel	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Japanese yen	143.98	143.98	143.98	143.98	143.98	143.98	143.98	143.98	143.98
Korean won	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Malaysian ringgit	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Mexican peso	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67
New Zealand dollar	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Philippine peso	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Portuguese escudo	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48
Russian ruble	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
Saudi riyal	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Singapore dollar	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Taiwan dollar	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Thai baht	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Yen	143.98	143.98	143.98	143.98	143.98	143.98	143.98	143.98	143.98

Forward Rates									
	1	2	3	4	5	6	7	8	9
1-month	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20
3-month	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20
6-month	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20
9-month	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20
12-month	1.35	1.34	1.32	1.30	1.28	1.26	1.24	1.22	1.20

CONSOLIDATED ANNUAL REPORT

Statement of Income (for the period April 1, 1997 to March 31, 1998) in Millions of Yen

Net sales	5,458,498
Cost of sales	3,890,158
Income before income taxes and minority interest	18,748
Income taxes	24,475
Net income	7,337
Basic earnings per share	2.28 (in Yen)
Diluted earnings per share	2.28 (in Yen)

Balance Sheet

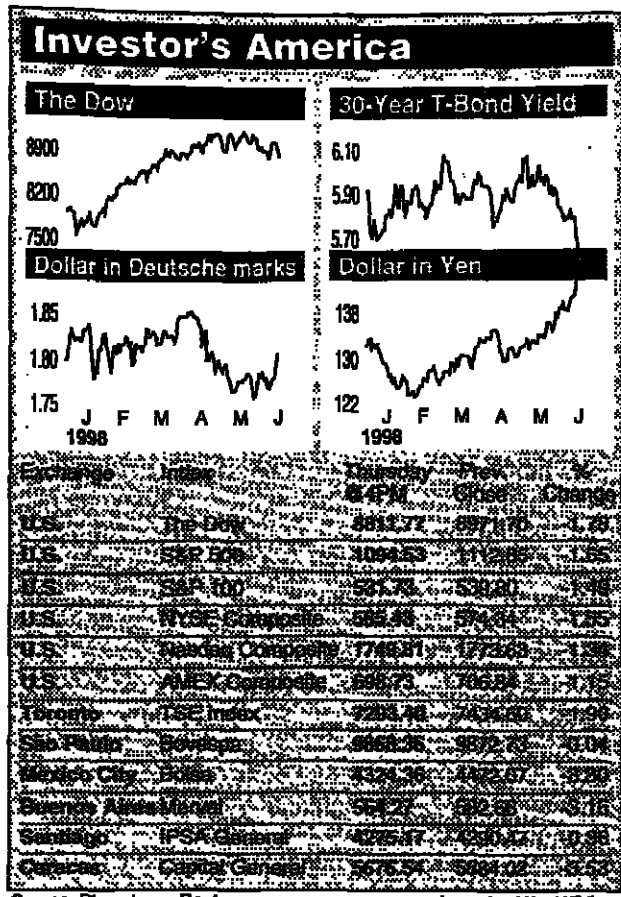
March 31, 1998 (in Millions of Yen)

Assets	Liabilities and Shareholders' Equity
Cash and cash equivalents	615,935
Notes and accounts receivable	1,248,407
Trade	1,001,801
Inventories	595,327
Other current assets	1,504,196
Property, plant and equipment	1,125,987
Other assets	1,201,615
Total assets	6,062,141
	Short-term borrowings and current portion of long-term debt
	Notes and accounts payable, trade
	Other current liabilities
	Long-term liabilities
	Minority interest
	Shareholders' equity
Total liabilities and shareholders' equity	6,062,141

Note: Consolidated Financial Statements are based on generally accepted principles in the U.S.

In Touch with Tomorrow

TOSHIBA



Very briefly:

- Ziff-Davis Inc. agreed to buy Walt Disney Co.'s 50 percent interest in FamilyPC, a computer magazine for families that the two companies owned. Terms were not disclosed. The magazine, started in 1994, has a circulation of 400,000.
- U.S. retail sales rose 0.9 percent in May, pushed by a spending spree on cars and trucks, the Commerce Department said. The advance, to a seasonally adjusted \$224.6 billion, was the seventh consecutive increase.
- Woolworth Corp. shareholders voted down a proposal from a vocal shareholder group that the sporting-goods retailer consider selling its German businesses and use the money to buy back stock.
- The Federal Communications Commission voted, 4 to 1, to allow the sale of cable television set-top boxes by retail outlets such as Circuit City Stores and Best Buy Co. Inc.

Murdoch Gives Up TV Guide

The Associated Press

NEW YORK — Rupert Murdoch's News Corp. said Thursday it was giving up full control of TV Guide, selling a majority stake in the best-selling U.S. weekly magazine for \$2 billion to a cable channel guide operator controlled by Tele-Communications Inc.

Under the deal, United Video Satellite Group Inc. plans to use the TV Guide name for the Prevue Channel, its on-screen channel listing service seen in more than 50 million U.S. cable homes.

United Video will own TV Guide, and News Corp. will get a 48 percent stake in the company. Cable giant TCI also will have a 48 percent stake in United Video, with the rest publicly owned. News Corp. will receive \$800 million in cash and \$1.2 billion in United Video stock.

The Trib Index

Prices as of 4:00 P.M. New York time.

	Jan. 1, 1982 = 100	Level	Change	% change	year to date % change
World index	189.77	—3.93	—2.03	+10.26	
Regional indexes					
Asia/Pacific	77.51	—2.28	—2.86	—19.32	
Europe	231.29	—5.23	—2.21	+19.81	
N. America	243.95	—4.16	—1.88	+12.95	
S. America	128.84	—0.92	—0.71	—15.61	
Industrial indexes					
Capital goods	236.48	—4.31	—1.80	+14.00	
Consumer goods	226.26	—4.62	—2.00	+7.89	
Energy	206.58	—4.81	—2.28	+5.96	
Finance	135.89	—3.23	—2.32	+10.52	
Miscellaneous	142.88	—2.26	—1.56	—4.80	
Raw Materials	204.62	—4.20	—2.01	+22.35	
Service	202.13	—3.88	—1.88	+15.96	
Utilities	167.04	—2.15	—1.27	+0.10	

AMEX

Thursday's 4 P.M. Close

The 200 most traded stocks of the day up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Close	Change
IBM	1,000,000	120 1/4	119 3/4	120 1/4	+1/4
Microsoft	800,000	54 1/2	54 1/4	54 1/2	+1/4
Apple	600,000	34 1/2	34 1/4	34 1/2	+1/4
Oracle	500,000	28 1/2	28 1/4	28 1/2	+1/4
Amazon	400,000	18 1/2	18 1/4	18 1/2	+1/4
Alibaba	300,000	12 1/2	12 1/4	12 1/2	+1/4
Google	200,000	8 1/2	8 1/4	8 1/2	+1/4
Yahoo	150,000	6 1/2	6 1/4	6 1/2	+1/4
Netflix	100,000	4 1/2	4 1/4	4 1/2	+1/4
Spotify	80,000	3 1/2	3 1/4	3 1/2	+1/4
Twitter	60,000	2 1/2	2 1/4	2 1/2	+1/4
LinkedIn	40,000	1 1/2	1 1/4	1 1/2	+1/4
Facebook	30,000	1 1/4	1 1/2	1 1/4	+1/4
Instagram	20,000	1 1/2	1 1/4	1 1/2	+1/4
Snapchat	15,000	1 1/4	1 1/2	1 1/4	+1/4
WhatsApp	10,000	1 1/2	1 1/4	1 1/2	+1/4
Telegram	8,000	1 1/4	1 1/2	1 1/4	+1/4
Zoom	6,000	1 1/2	1 1/4	1 1/2	+1/4
Slack	4,000	1 1/4	1 1/2	1 1/4	+1/4
Dropbox	3,000	1 1/2	1 1/4	1 1/2	+1/4
Box	2,000	1 1/4	1 1/2	1 1/4	+1/4
OneDrive	1,500	1 1/2	1 1/4	1 1/2	+1/4
Google Drive	1,000	1 1/4	1 1/2	1 1/4	+1/4
Microsoft OneDrive	800	1 1/2	1 1/4	1 1/2	+1/4
Apple iCloud	600	1 1/4	1 1/2	1 1/4	+1/4
Amazon Drive	400	1 1/2	1 1/4	1 1/2	+1/4
Netflix	300	1 1/4	1 1/2	1 1/4	+1/4
Spotify	200	1 1/2	1 1/4	1 1/2	+1/4
Twitter	150	1 1/4	1 1/2	1 1/4	+1/4
LinkedIn	100	1 1/2	1 1/4	1 1/2	+1/4
Facebook	80	1 1/4	1 1/2	1 1/4	+1/4
Instagram	60	1 1/2	1 1/4	1 1/2	+1/4
Snapchat	40	1 1/4	1 1/2	1 1/4	+1/4
WhatsApp	30	1 1/2	1 1/4	1 1/2	+1/4
Telegram	20	1 1/4	1 1/2	1 1/4	+1/4
Zoom	15	1 1/2	1 1/4	1 1/2	+1/4
Slack	10	1 1/4	1 1/2	1 1/4	+1/4
Dropbox	8	1 1/2	1 1/4	1 1/2	+1/4
Box	6	1 1/4	1 1/2	1 1/4	+1/4
OneDrive	4	1 1/2	1 1/4	1 1/2	+1/4
Google Drive	3	1 1/4	1 1/2	1 1/4	+1/4
Microsoft OneDrive	2	1 1/2	1 1/4	1 1/2	+1/4
Apple iCloud	1	1 1/4	1 1/2	1 1/4	+1/4
Amazon Drive	1	1 1/2	1 1/4	1 1/2	+1/4

GM and Chrysler Court Airline

By Laurence Zuckerman
New York Times Service

NEW YORK — Chrysler Corp. and General Motors Corp. are near an agreement to pay a monthly fee for five years to Pro Air, a start-up airline based in Detroit, in exchange for unlimited passage on the carrier for their employees.

The pending deal is one of the first attempts by major companies to counter the high air fares charged by the major airlines.

It will help Pro Air, which is not yet a year old and flies to just half a dozen destinations, to compete against Northwest Airlines, the dominant carrier in Detroit. And it will save Chrysler as much as \$3 million a year and GM up to \$6 million a year, they said.

While the terms of the agreement have largely been completed, Chrysler and GM are waiting for assurances from city authorities that certain improvements will be made at Detroit City Airport, where Pro Air is based.

None of the parties would disclose financial details. "We are hoping to get it closed by Friday," Peter Rowe, a GM spokesman, said of the agreement.

The deal comes as the last-minute walk-up fares paid most often by businesses are at record levels and there is heightened concern in Washington about the lack of competition at many major U.S. airports.

Analysts say the Pro Air deal would be the first time that major corporations paid an airline a guaranteed monthly retainer on a long-term basis. "This is the first intervention by major corporations to lower costs and provide some competition at a fortress hub," said Kevin Mitchell, chairman of the Business Travel Coalition, a corporate advocate who helped broker the agreement.

Pro Air flies two 146-passenger 737 jets from Detroit to Philadelphia, Newark, New Jersey; Indianapolis; Baltimore, and, in the winter, to Orlando and Fort Myers, in Florida. It charges \$59 to \$79 one way for a coach seat, and up to \$164 for first class. Since Pro Air began flying on July 4, Northwest has matched its prices on every route, reducing walk-up fares by as much as 85 percent.

Dollar Hits an 8-Year High Against the Yen

NEW YORK — The dollar surged against other major currencies Thursday, hitting an eight-year high against the yen on dwindling market expectations of intervention to prop up the faltering Japanese currency.

The dollar continued to race ahead against European currencies, meanwhile, on concerns that Russia could be the next economy to falter.

The U.S. treasury secretary, Robert Rubin, told the Senate Finance Committee that the yen's weakness "can only be remedied by restoring economic strength in Japan," and then went on to say that intervention has had limited impact.

The dollar rose to 143.98 yen in 4 P.M. trading from 141.58 yen on Wednesday. It rose to 1.8078 Deutsche marks from 1.7955 DM, to 6.0635 French francs from 6.0215 francs, and to 1.4955 Swiss francs from 1.4858 francs. The pound fell to \$1.6275 from \$1.6295.

Concern that Asian currencies will struggle to pay their debts to Japanese banks also under-

PRIVACY: The Shadowy Market for Confidential Information Is Booming

Continued from Page 17

"It's not illegal to get that information, though it may be one day," Mr. Mayers said. "They just know how to word things."

Michael Martin, president of Advanced Research, said his company also makes use of pretext calling. "Basically we use loopholes that exist in the system," Mr. Martin said. "You don't cross over the line."

Authorities have begun to question whether information brokers are going too far. In one of the first cases of its kind, officials in Massachusetts announced fines last month against four companies that secretly obtained financial information about Massachusetts residents. Search firms in Massachusetts and three other states — California, Missouri and Washington — were hit with \$60,000 in civil penalties and barred from that practice in Massachusetts.

The investigation started after a security official at BankBoston noticed an ad for one of the services, and anonymously ordered a search on himself. When the report came back, the security official, Frederick Tilley, said he learned new details about his own accounts.

"They come back with account information, down to the penny," said Mr. Tilley, who has investigated several cases in which brokers obtained information from his bank.

Massachusetts officials also were unsettled when they saw the results, according to Jeffrey Clements, an assistant attorney general who oversaw the case. "Everybody feels almost a visceral sense of violation," Mr. Clements said.

The Massachusetts attorney general's office accused the companies of "using ruses, such as impersonating the targets of the 'asset search,' and tricking banks into releasing private information about the target's accounts," according to a statement about the investigation. Officials said such methods violated consumer protection laws prohibiting unfair or deceptive business practices.

At least one powerful legislator is also taking notice. Representative Jim Leach, the Iowa Republican who chairs the House Banking Com-

Asia Trouble Sends Stocks Into Tailspin

NEW YORK — Worries that Asia's financial crisis will become even worse sent foreign investors to the haven of U.S. Treasury bonds on Thursday, while stocks were battered by expectations for the Asian trouble to slow profit growth.

The price of the benchmark 30-year bond rose 23/32 point to close at 106 23/32, sending the yield to a record low 5.65 percent from 5.70 percent Wednesday.

The Dow Jones industrial average, meanwhile, closed 159.93 points lower at 8,811.77, and the Standard & Poor's 500 index ended 18.32 points lower at 1,094.53.

Declining issues outnumbered advancing ones by a 4-to-1 ratio on the New York Stock Exchange.

"Asia is weakening, the U.S. probably is going to slow, and what does that mean for earnings? Maybe 5 percent earnings growth this year, if that," said Arthur Micheletti, chief investment strategist at Baird, Biehl & Kaiser.

Comments on Wednesday from Alan Greenspan, the Federal Reserve Board chairman, continued to drive the markets Thursday. Mr. Greenspan said that a decrease in profitability could drive stocks lower as investors adjust to lowered expectations.

He also indicated that the central bank saw no need to raise interest rates because the Asian crisis is acting as a brake on U.S. growth, alleviating concern that a tight labor market will cause inflation to perk up.

That, along with an inflow of cash fleeing unstable foreign markets, sent bond prices higher.

Prospects for Asia's economic situation to get worse before it gets better had the biggest impact on oil and technology stocks Thursday.

Oil shares sank as crude oil prices fell near a 10-year low on skepticism that production cuts will be enough to offset a worldwide supply glut and slowing Asian demand.

Texasco fell 1 1/2 to 56 1/2, and Exxon declined 3/4 to 68 1/16. Halliburton, an oil services company, fell 2 7/16 to 42 1/4.

Computer makers and chip makers also fell on prospects for weak demand.

Aetrium, a maker of semiconductor testing equipment, fell 3 1/16 to 7 9/16 after saying second-quarter earnings would be "significantly below" analysts' estimates because of fewer orders.

"The Asian crisis has had a deeper impact on the semiconductor industry, and our customers than expected and will likely have a more prolonged impact," said Joseph Levesque, president and chief executive of the company.

Dell Computer fell 1 to 82 11/16 and Applied Materials fell 1/2 to 28 1/4.

The Nasdaq composite index closed down 23.50 points at 1,749.75.

Philip Morris fell 1 1/4 to 36 1/4 after a Florida jury awarded a smoker's family more than \$1 million in damages.

Amazon.com rose 3/4 to 6 1/2 after the on-line book retailer said it was expanding to include music.

(Bloomberg, AP)

U.S. STOCKS

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(Bloomberg, AP)

U.S. STOCK MARKET DIARY

June 11, 1998

Index	High	Low	Close	Change
Dow Jones	8811.77	8811.77	8811.77	-159.93
S&P 500	1094.53	1094.53	1094.53	-18.32
Nasdaq	1749.75	1749.75	1749.75	-23.50
NYSE	1094.53	1094.53	1094.53	-18.32
AMEX	1749.75	1749.75	1749.75	-23.50
NYSE Most Active				
IBM	120 1/4	119 3/4	120 1/4	+1/4
Microsoft	54 1/2	54 1/4	54 1/2	+1/4
Apple	34 1/2	34 1/4	34 1/2	+1/4
Oracle	28 1/2	28 1/4	28 1/2	+1/4
Amazon	18 1/2	18 1/4	18 1/2	+1/4
Alibaba	12 1/2	12 1/4	12 1/2	+1/4
Google	8 1/2	8 1/4	8 1/2	+1/4
Yahoo	6 1/2	6 1/4	6 1/2	+1/4
Netflix	4 1/2	4 1/4	4 1/2	+1/4
Spotify	3 1/2	3 1/4	3 1/2	+1/4
Twitter	2 1/2	2 1/4	2 1/2	+1/4
LinkedIn	1 1/2	1 1/4	1 1/2	+1/4
Facebook	1 1/4	1 1/2	1 1/4	+1/4
Instagram	1 1/2	1 1/4	1 1/2	+1/4
Snapchat	1 1/4	1 1/2	1 1/4	+1/4
WhatsApp	1 1/2	1 1/4	1 1/2	+1/4
Telegram	1 1/4	1 1/2	1 1/4	+1/4
Zoom	1 1/2	1 1/4	1 1/2	+1/4
Slack	1 1/4	1 1/2	1 1/4	+1/4
Dropbox	1 1/2	1 1/4	1 1/2	+1/4
Box	1 1/4	1 1/2	1 1/4	+1/4
OneDrive	1 1/2	1 1/4	1 1/2	+1/4
Google Drive	1 1/4	1 1/2	1 1/4	+1/4
Microsoft OneDrive	1 1/2	1 1/4	1 1/2	+1/4
Apple iCloud	1 1/4	1 1/2	1 1/4	+1/4
Amazon Drive	1 1/2	1 1/4	1 1/2	+1/4

INTERNATIONAL FUTURES					INTERNATIONAL FUTURES				
Contract	High	Low	Settle	Change	Contract	High	Low	Settle	Change
10-YEAR PERCENT GOV. BONDS (MATP)									
Mar 99	105.00	104.75	104.80	+0.05	Mar 99	95.910	95.880	95.900	+0.040
Jun 99	105.00	104.75	104.80	+0.05	Jun 99	95.910	95.880	95.900	+0.040
Sept 99	105.00	104.75	104.80	+0.05	Sept 99	95.910	95.880	95.900	+0.040
Dec 99	105.00	104.75	104.80	+0.05	Dec 99	95.910	95.880	95.900	+0.040
Ed. settles 124.45					Ed. settles 64.250				
Prev. open int. 143.70					Prev. open int. 64.779				
ITALIAN GOVERNMENT BOND (LIPP)									
Mar 99	125.12	125.12	125.50	+0.38	Mar 99	125.12	125.12	125.50	+0.38
Jun 99	125.12	125.12	125.50	+0.38	Jun 99	125.12	125.12	125.50	+0.38
Sept 99	125.12	125.12	125.50	+0.38	Sept 99	125.12	125.12	125.50	+0.38
Dec 99	125.12	125.12	125.50	+0.38	Dec 99	125.12	125.12	125.50	+0.38
Ed. settles 125.12					Ed. settles 125.12				
Prev. open int. 99.929					Prev. open int. 99.929				
LIBOR 1-MONTH (CME)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
EURODOLLARS (CME)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
BRITISH POUND (CME)									
Mar 99	1.6349	1.6349	1.6370	+0.0021	Mar 99	1.6349	1.6349	1.6370	+0.0021
Jun 99	1.6349	1.6349	1.6370	+0.0021	Jun 99	1.6349	1.6349	1.6370	+0.0021
Sept 99	1.6349	1.6349	1.6370	+0.0021	Sept 99	1.6349	1.6349	1.6370	+0.0021
Dec 99	1.6349	1.6349	1.6370	+0.0021	Dec 99	1.6349	1.6349	1.6370	+0.0021
Ed. settles 1.6370					Ed. settles 1.6370				
Prev. open int. 64.626					Prev. open int. 64.626				
CANADIAN DOLLAR (CME)									
Mar 99	65.80	65.80	65.80	+0.00	Mar 99	65.80	65.80	65.80	+0.00
Jun 99	65.80	65.80	65.80	+0.00	Jun 99	65.80	65.80	65.80	+0.00
Sept 99	65.80	65.80	65.80	+0.00	Sept 99	65.80	65.80	65.80	+0.00
Dec 99	65.80	65.80	65.80	+0.00	Dec 99	65.80	65.80	65.80	+0.00
Ed. settles 16.308					Ed. settles 16.308				
Prev. open int. 65.822					Prev. open int. 65.822				
GERMAN MARK (CME)									
Mar 99	1.6349	1.6349	1.6370	+0.0021	Mar 99	1.6349	1.6349	1.6370	+0.0021
Jun 99	1.6349	1.6349	1.6370	+0.0021	Jun 99	1.6349	1.6349	1.6370	+0.0021
Sept 99	1.6349	1.6349	1.6370	+0.0021	Sept 99	1.6349	1.6349	1.6370	+0.0021
Dec 99	1.6349	1.6349	1.6370	+0.0021	Dec 99	1.6349	1.6349	1.6370	+0.0021
Ed. settles 16.308					Ed. settles 16.308				
Prev. open int. 65.822					Prev. open int. 65.822				
JAPANESE YEN (CME)									
Mar 99	125.00	125.00	125.00	+0.00	Mar 99	125.00	125.00	125.00	+0.00
Jun 99	125.00	125.00	125.00	+0.00	Jun 99	125.00	125.00	125.00	+0.00
Sept 99	125.00	125.00	125.00	+0.00	Sept 99	125.00	125.00	125.00	+0.00
Dec 99	125.00	125.00	125.00	+0.00	Dec 99	125.00	125.00	125.00	+0.00
Ed. settles 125.00					Ed. settles 125.00				
Prev. open int. 164.747					Prev. open int. 164.747				
SWISS FRANC (CME)									
Mar 99	65.80	65.80	65.80	+0.00	Mar 99	65.80	65.80	65.80	+0.00
Jun 99	65.80	65.80	65.80	+0.00	Jun 99	65.80	65.80	65.80	+0.00
Sept 99	65.80	65.80	65.80	+0.00	Sept 99	65.80	65.80	65.80	+0.00
Dec 99	65.80	65.80	65.80	+0.00	Dec 99	65.80	65.80	65.80	+0.00
Ed. settles 16.308					Ed. settles 16.308				
Prev. open int. 65.822					Prev. open int. 65.822				
MEXICAN PESO (CME)									
Mar 99	16.308	16.308	16.308	+0.00	Mar 99	16.308	16.308	16.308	+0.00
Jun 99	16.308	16.308	16.308	+0.00	Jun 99	16.308	16.308	16.308	+0.00
Sept 99	16.308	16.308	16.308	+0.00	Sept 99	16.308	16.308	16.308	+0.00
Dec 99	16.308	16.308	16.308	+0.00	Dec 99	16.308	16.308	16.308	+0.00
Ed. settles 16.308					Ed. settles 16.308				
Prev. open int. 16.308					Prev. open int. 16.308				
2000-LIBOR (CME)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
5-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
1-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH PIBOR (MATP)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH PIBOR (MATP)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH PIBOR (MATP)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH PIBOR (MATP)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32	94.32	+0.00
Ed. settles 94.44					Ed. settles 94.44				
Prev. open int. 53.925					Prev. open int. 53.925				
3-MONTH EURODMARK (LIPF)									
Mar 99	94.32	94.32	94.32	+0.00	Mar 99	94.32	94.32	94.32	+0.00
Jun 99	94.32	94.32	94.32	+0.00	Jun 99	94.32	94.32	94.32	+0.00
Sept 99	94.32	94.32	94.32	+0.00	Sept 99	94.32	94.32	94.32	+0.00
Dec 99	94.32	94.32	94.32	+0.00	Dec 99	94.32	94.32		

Trouble Sends
ks Into Tailspin

Honda to Increase Output at U.K. Plant

LONDON — Honda Motor Co., Japan's third-largest automaker, said Thursday it would invest \$450 million (\$73.9 million) and hire 1,000 extra workers to build a new compact car at its Swindon plant in western England.

Honda hopes to increase its output at the plant to 250,000 autos yearly by 2002 from the current 150,000 cars. Honda said it would develop a new range of its Civic models and that the new small car, designed for the European market, should enter production by 2002.

Honda is now building three models in Swindon: the Civic five-door, the Civic Aero Deck and the Accord four-door. The Accords are set to begin production in July and will go on sale in October.

Trade Secretary Margaret Beckett called Honda's move "a massive vote of confidence in Britain as a center for car production."

Going ahead with the plans even as Japan's economy slumps, Honda signaled its determination to raise its presence in Europe. Unlike the

Boom for Ratings as Euro Nears

PARIS — European companies are clamoring for bond ratings, which would allow investors to easily compare the soundness of rival companies in the countries adopting a single currency in January.

European companies have traditionally borrowed money without ratings, relying on their reputations in domestic markets to attract investors. Once the euro eliminates currency risks, investors will be more apt to venture across borders to find the highest yields, making credit ratings essential.

That is bringing a surge in business for the main ratings companies — Standard & Poor's Corp., Moody's Investors Service Inc. and Fitch IBCA Ltd. — which charge frequent borrowers as much as \$100,000 a year to evaluate their credit-worthiness and advertise it to investors.

"We rated about 25 European companies on a first-time basis in 1996, near 50 in 1997 and that could be 75 to 100 for 1998," said Richard Stephan, managing director at Moody's in London. "They

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
5750	6250	4300
5400	6000	4000
5050	5750	3700
4700	5500	3400
4350	5250	3100
4000	5000	2800
3650	4750	2500
3300	4500	2200
2950	4250	1900
2600	4000	1600
2250	3750	1300
1900	3500	1000
1550	3250	700
1200	3000	400
850	2750	100
500	2500	0

Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam AEX		1,203.29	1,205.04	-0.19
Brussels BEL-20		3,341.61	3,333.49	+0.24
Frankfurt DAX		5,754.48		
Copenhagen Stock Market		757.51	749.93	+1.01
Helsinki HEX General		4,875.65	4,918.20	-0.70
Oslo OBX		693.52	693.28	+0.03
London FTSE 100		5,862.58	5,897.40	-2.25
Madrid Stock Exchange		869.82	892.60	-1.45
Milan MIBTEL		23708	24255	-2.26
Paris CAC 40		4,141.61	4,208.60	-1.59
Stockholm SX 16		4,221.92	4,287.17	-1.52
Vietnam ATX		Closed	1,563.24	
Zurich SPI		4,730.08	4,817.06	-1.81

Bouygues Stock Stumbles

PARIS — Bouygues SA share prices fell Thursday after comments at the annual meeting indicated that shareholders had little influence over management decisions at the largest construction company in Europe.

Bouygues' shares closed at 1,005 francs (\$167) on Thursday, down 76 francs.

The company's shareholders voted Wednesday to allow Bouygues, in case of a takeover bid, to sell up to 1 billion francs in new shares and raise its capital 10 percent for employees.

The vote came despite the opposition of some shareholders, including Vincent Bolloré, who owns a 10 percent stake in the company and is the second-largest shareholder after the Bouygues family.

The chairman and chief executive, Martin Bouygues, reiterated the company's commitment to telecommunications, which Mr. Bolloré opposes.

Mr. Bolloré, who has never taken a stake in a company he did not end up controlling, quashed speculation he would dump his stake by saying he bought his shares "for the long term." Since he revealed his stake in Bouygues late last year, shares have risen more than 50 percent.

MOSCOW: Russia to Step Up International Borrowing

Continued from Page 17

Alexander Braverman, first deputy state property minister, said.

Mr. Braverman also reacted positively to an ambitious suggestion from Rem Vyakhirev, the head of the natural gas monopoly Gazprom, Russia's largest company by market capitalization.

Mr. Vyakhirev had urged the government to sell some shares held by the state in the company.

The government owns 40.87 percent of Gazprom, which was created out of the old Soviet natural gas ministry.

In that group of shares, 35 percent is managed by Mr. Vyakhirev under a special trust agreement with the state.

That leaves another 5.87 percent

Very briefly:

- European Union governments failed to approve a plan that would allow candy makers in the 15-member union to reduce the amount of cocoa in chocolate bars.
- Gucci Group's net profit fell 10 percent from a year earlier, to \$43.1 million, in the three months ended April 30. Revenue at the Italian luxury goods maker, including royalties, eased 1.7 percent to \$250.7 million.
- A unit of Vivendi SA of France has agreed to buy a 17.8 percent stake in Intan Utilities Bhd., the Malaysian water treatment company said. Intan's major shareholder, Vincent Tan, agreed to sell 9.5 million shares to Compagnie Generale des Eaux Asia Pacific Ltd. Intan did not disclose the price.
- South Africa's central bank will enforce existing exchange controls to curb speculative activity against the rand. The Reserve Bank said some foreign-exchange traders were not complying uniformly with exchange control regulations.
- Electronic Share Information Ltd., a provider of Internet equities data, announced a joint venture with the American on-line stockbroker E*Trade Group Inc. The new venture, E*Trade Holdings Ltd. UK, will offer 24-hour Internet share investing and consolidated share information service.
- Switzerland's economy grew a greater-than-expected annualized 1.9 percent in the first quarter and showed its biggest annual increase for seven years as high demand at home outpaced a slowdown in exports.

WORLD STOCK MARKETS

Thursday, June 11
Daily prices in local currencies.

Daily prices in local currencies.				Asterisk Bc Floods			
Telekurs				Asterisk Bc Floods			
High	Low	Close	Prev.	High	Low	Close	Prev.
Amsterdam				Amsterdam			
AEX Index: 1833.29				AEX Index: 1833.29			
Previous: 1835.64				Previous: 1835.64			
ABN-AMRO	48.20	47.80	48.10	48.20	47.80	48.10	48.20
Alpen	144.13	159.00	163.00	144.13	159.00	163.00	144.13
Alrosa	43.33	42.92	43.00	43.33	42.92	43.00	43.33
Alrosa Nobel	465.10	443.00	445.00	465.10	443.00	445.00	465.10
Alrosa Ufa	78.87	78.87	78.87	78.87	78.87	78.87	78.87
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28	12.28	12.28
Alrosa Ufa	12.28	12.28	12.28	12.28	12.28		

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press

[illegible]

Thursday's 4 P.M. Close

[illegible]

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ASIA/PACIFIC

Thai Efforts Praised, but Bangkok Stocks Plunge

By Thomas Crampton
International Herald Tribune

BANGKOK — After receiving fresh praise and financial assistance in Washington from the International Monetary Fund, Thailand's finance minister and central bank governor returned here Thursday to find the stock market plunging to its lowest level in a decade.

Analysts said they expected the pessimism about the economy and the market to continue, driven by a combination of regional currency turmoil and internal economic strain. The Thai stock market is now hitting depths not experienced since the days just after Wall Street's October 1987 plunge.

"At this point you can't blame the government," said Sriyan Pietersz, head of research at SocGen in Bangkok. "They are doing the right things, but by their very nature, structural reforms take a long time to bear fruit."

The key Stock Exchange of Thailand index fell an additional 2.8 percent Thursday after dropping 5.2 percent Wednesday to a 10-year low.

Thai shares have now fallen for five straight sessions and have lost 12.8 percent of their value since the beginning of the month.

The baht has weakened, with the dollar at about 43.11 baht on Thursday, compared with 38 baht in May and around 24.50 before the float of the currency in July, which triggered Asia's financial crisis.

Although Thailand had an initial competitive advantage because of the baht's decline, waves of devaluation across the region since then

have diminished the effect and have erased hopes of a quick export-led recovery. In dollar terms, the value of Thai exports fell 3.5 percent in the first quarter of 1998 compared with the same period a year earlier.

In Washington on Wednesday, Michel Camdessus, managing director of the International Monetary Fund, had praised the efforts made in overhauling Thailand's economy and cleared the way for a \$133 million disbursement of the country's \$17.2 billion bailout. About 70 percent of the funds prepared for Thailand when the package was set up in August have already been disbursed.

"The authorities are to be commended on the substantial progress they have made in structural reform and economic stabilization," Mr. Camdessus said. "International reserves have been substantially replenished, and the exchange rate has strengthened significantly since the start of the year."

Thailand still has to finish restructuring its corporate and financial systems, Mr. Camdessus said, adding that "considerable risks lie ahead as shown by the recent turbulence in financial markets."

When he got back to Bangkok on Thursday, Finance Minister Tarrin Nimmanahaeminda said he had recruited senior advisers and former central bankers from the United States, Germany, Japan and Britain to help restructure the much-criticized Bank of Thailand.

He said that starting next month, the group would review the central bank's role in supervising Thailand's financial policies and information and data management.

While they approved of the project and the structural reforms, analysts said such moves would bring little immediate relief to the country's collapsing economy.

"It is very good to show investors that Thailand has so much support on an international level," said Yippan Ruethaisavud, first assistant vice president of Nava Finance and Securities PCL. "But Thai people still need to change their old-fashioned ways — their minds — and that is not easy."

Even well-executed reforms, Ms. Yippan added, will not allow the strangling interest rates to fall or remove the external threat of the regional currency turbulence as the yen falls and the Chinese yuan comes under pressure.

Analysts said short-term measures that would bring relief to the Thai economy include the recapitalization of the country's debt-ridden banks, a successful sale of bonds by the government to help pay for the bailout of the finance sector and the complete sale of assets from finance companies that were shut by the government.

But there was bad news on the recapitalization front. Moody's Investor Services Inc. issued a stern warning on Thursday that the condition of Thai banks was among the worst in the world, adding that it was unlikely they could raise enough capital without government support.

"Ratings overall will remain low," Moody's said. "This situ-

ation reflects the possible impact that systemic shocks will have — even on those banks that succeed in recapitalizing."

The government's own plans to raise money with a bond issue to help pay for the 1 trillion baht spent supporting finance companies would also face difficulties, analysts said.

"With Thailand's junk rating and Malaysia talking about a competing bond issue, it is going to be a very hard sell," a Singapore-based bond analyst said.

Although longer-term restructuring has proceeded well, analysts warned that as the degrading economy started to hurt, reforms would become more difficult to execute.



TERRITORIAL OVER FISH — Members of the fisheries union protesting Thursday near the Chinese Embassy in Seoul against illegal Chinese fishing in South Korea's territorial waters.

Garuda to Cut Suharto Ties

Bloomberg News

JAKARTA — PT Garuda Indonesia said Thursday it would cancel five business contracts linked to former President Suharto, giving in to staff protests that charged the contracts' costs were inflated and helped push the airline to the brink of collapse.

Garuda's president, Soepandi, a former aide to Mr. Suharto, will step down and could be replaced by Robby Johan, said Pudiobroto, a spokesman for the government-owned airline.

The announcement came a day after 2,500 pilots, flight attendants and ground staff demonstrated at the airline's headquarters, demanding that management step down and business ties to Mr. Suharto be severed. The protests are the latest in a string of attacks on the Suharto family.

This week, Indonesia's minister of state enterprises, Tanri Abeng, was quoted as saying the airline was \$200 million in debt and relied on government handouts to survive. About \$100 million of the company's debt is due, he said. The five canceled business contracts are for cargo handling, insurance and foreign sales agents, Mr. Pudiobroto said.

Indonesia's economic crisis and the collapse of the rupiah in the past year have cast doubt on the viability of Indonesia's airlines. Sempati Air, an airline owned by Mr. Suharto's youngest son, is going out of business, and the country's five other carriers, which operate almost exclusively in the domestic market, are on the brink of collapse.

British Telecom Seeks License for Japan

Bloomberg News

TOKYO — British Telecommunications PLC said Thursday that it had applied for a license to provide phone service in Japan using its own network.

If the license is granted, British Telecom will start offering international phone service in January through BT Communications Services Ltd., a joint venture with Marubeni Corp., a Japanese trading firm, said Larry Stone, senior vice president for BT Japan KK, British

Telecom's fully-owned subsidiary in Japan.

The move follows a World Trade Organization accord in February to open the world's telephone market.

WorldCom Inc., the fourth-largest U.S. long-distance carrier, won a license in March to provide international phone service in Japan.

The BT-Marubeni venture will build its own optical-fiber network in Tokyo next year, which will give the British phone company direct access to Japanese customers. The

calls will be connected to British Telecom's worldwide network through a network owned by Nippon Telegraph & Telephone Corp., the world's largest phone company.

British Telecom's new service will focus on data and the Internet, Mr. Stone said.


The company is already offering international and domestic service in Japan through BT Network Information Service, another joint venture with Marubeni, by leasing facilities from other carriers.

Investor's Asia


Index	1998	1997	1996
Hong Kong Hang Seng	11800	11000	10200
Singapore Straits Times	1750	1600	1500
Tokyo Nikkei 225	17200	16400	15800
London FTSE 100	4800	4600	4400
Paris CAC 40	3800	3600	3400
Frankfurt DAX	3200	3000	2800
Amsterdam AEX	3800	3600	3400
Stock Market Index	7,210.74	7,223.18	7,223.18
Composite Index	488.00	488.56	488.56
SEI	283.92	282.10	282.10
Composite Index	328.70	324.54	324.54
PSE	1,829.02	1,817.67	1,817.67
Composite Index	411.54	408.03	408.03
NSE-40	2,008.78	2,067.47	2,067.47
Sensitive Index	3,335.76	3,511.41	3,511.41

Very briefly:

- Japan may use public funds to repay as much as 1.4 trillion yen (\$9.98 billion) in bad loans extended by Japan National Oil Corp., a state-run company, to 122 oil-exploration companies.
- Standard & Poor's Corp. left Nissan Motor Co.'s credit ratings unchanged after the U.S. credit-rating company approved the carmaker's plan to repay its debts. S&P has given a rating of BBB-minus to Nissan's long-term credit and A-1 to its short-term rating.
- China's inflation rates fell for the eighth consecutive month in May, reflecting continued weak domestic demand, state television news reported. Retail prices in May were 2.7 percent lower than for the same month a year earlier; consumer prices were 1 percent lower than for May 1997, and the consumer price index was 0.3 percentage point below the year-earlier rate.
- China and the European Union said there was "technical urgency" for China to join the World Trade Organization. China said it would soon make a new offer on cutting tariffs and opening its services industry to greater foreign competition.
- Long-Term Credit Bank of Japan Ltd. plans to disclose more details of its operations in response to Standard & Poor's Corp.'s announcement that it was considering downgrading the bank's credit rating.
- Telstra Corp., Australia's leading telecommunication company, will spend 120 million Australian dollars (\$76.2 million) in 1998-99 repairing defects in the network of wires that carries customers' telephone calls.
- Merck & Co. will build a \$300 million chemical manufacturing plant in Singapore to tap growing demand for health-care products in the Asia-Pacific region.
- Sri Lanka will require foreign investors in infrastructure projects to form partnerships with local and publicly listed companies.
- Creative Technology Ltd.'s fourth-quarter sales and margins are expected to fall short of analysts' forecasts. The world's biggest maker of computer sound cards predicted a 10 percent decline for the three months ending June 30 to decline about 10 percent, to \$252.1 million.



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WORLD ROUNDUP

A Letdown for Moya

TENNIS Carlos Moya of Spain, the recently crowned French Open champion, became the latest upset victim at the Gerry Weber Open on Thursday when he lost to Hendrik Dreckmann of Germany.

Dreckmann served 10 double faults but attacked the net at every chance to beat the Spaniard, 7-5, 6-3, to reach the quarterfinals at the grass-court event in Halle, Germany, seen by many players as a tune-up for Wimbledon. Five seeded players have been ousted in the first two rounds, including No. 1 Petr Korda of the Czech Republic.

Yevgeni Kafelnikov of Russia, the defending champion, advanced with a 6-4, 6-3 victory over David Prinosil of Germany after trailing by three games in each set. (AP)

In London, Pete Sampras began his Wimbledon preparations with a 6-2, 6-3 victory over Wayne Black of Zimbabwe on another wet and windy day at Queen's Club.

In his first match since losing in the second round of the French Open, the top-seeded American played through drizzle and a stiff breeze to win in 59 minutes.

The U.S. Open champion, Patrick Rafter, continuing a match suspended from Wednesday, lost 4-6, 7-5, 6-4 to a fellow Australian, Scott Draper. (AP)



Pete Sampras hitting a backhand return to Wayne Black.

Steffi Graf took just one hour to beat Kristie Boogert, 6-2, 6-4, on Thursday and advance to the quarterfinals of the DFS Classic in Birmingham, England. It was only Graf's second professional match in the past four months.

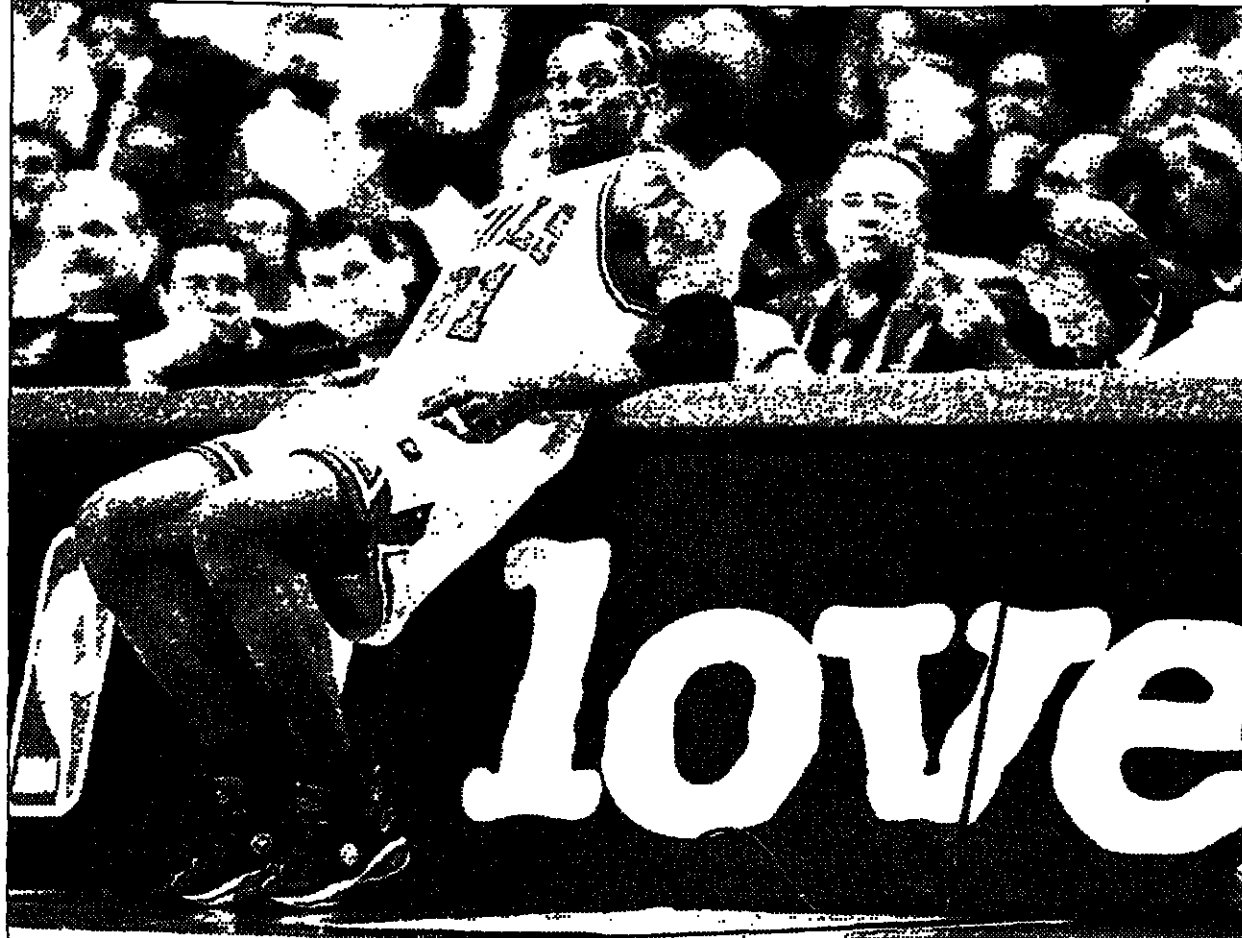
The top-seeded German, playing in sweatsuits on a cold day, looked sharper than she had Wednesday, when she needed three sets to beat Rennae Stubbs of Australia. (AP)

Back Pain Sidelines Els

GOLF Back pain has forced Ernie Els to quit the Buick Open, and his participation in next week's U.S. Open is in doubt. Els, one of the defending champions of both events, played nine holes of the first round at the Buick in Harrison, New York, on Thursday. He was at 2 over par when he withdrew.

"It was just getting worse as the round went on," Els said, adding that his status for the Open would be considered on a day-to-day basis. (Reuters)

No play was possible in the opening round of the European Grand Prix golf tournament in Hexham, England, on Thursday, because of heavy rain. (Reuters)



Dennis Rodman of the Bulls appearing relaxed as he waited to enter the game during Chicago's 86-82 victory.

White Sox Win Slugfest With Cards

McGuire's 30th Homer Not Enough as Belle and Ventura Hit 2 Each

Mark McGuire, Albert Belle and Robin Ventura staged a home run derby as the White Sox beat St. Louis, 10-8, in Chicago.

It was one of six games that went into extra innings Wednesday — tying the record for the most in one day.

McGuire's major league-leading 30th homer helped the Cardinals take a 7-0 lead into the sixth. But Belle then hit a pair of three-run homers as the White Sox fought back.

Chicago trailed, 8-4, in the ninth with two outs and the bases empty. But they rallied again, with Belle hitting his second blast and Ventura connecting immediately after to tie the game.

Ventura then hit a two-run, game-winning homer in the 11th inning.

Rockies 9, Rangers 8 Dante Bichette became the first player in Colorado history to hit for the cycle. He completed his set of hits with a long single with two out in the bottom of the 10th to win the game for the Rockies.

Dodgers 1, Athletics 0 Ismael Valdes, who reportedly was close to being sent to Seattle last week in a trade for Randy Johnson, pitched a two-hitter for his first complete game since 1995.

Valdes (5-7) did not give up a hit until Matt Stairs singled with two outs in the seventh inning for the host Athletics. He struck out nine.

Mariners 4, Giants 1 San Francisco's 11-game winning streak came to an end as David Segui drove in three runs for Bonds, the Giants' star, in the calf. Bonds left the game early because of tightness in the calf.

In the second inning, Herschiser brushed back Swift, who was batting because the game was in San Francisco. A National League park. The umpire, Harry Wendelstedt, then issued a warning to both benches. As he talked to the Seattle manager, Lou Piniella, Her-

shiser and Swift met in front of home plate, and there were no more incidents. Herschiser left the game in the fifth inning after being hit on the right wrist by Rodriguez's line drive.

Diamondbacks 10, Angels 2 Jay Bell homered, tripled and drove in three runs and Arizona stopped Anaheim's nine-game winning streak.

Yankees 6, Expos 2 New York won its season-high ninth in a row, overcoming a knee injury to Bernie Williams to beat Montreal at Olympic Stadium.

Williams left the game after hurting his right knee during an awkward slide. The centerfielder was expected to return to New York on Thursday for further examination.

Hideki Irabu (6-1), who leads the majors with a 1.59 earned-run average, became the first Yankee pitcher to get a hit in a regular-season game since Larry Gowell got one on Oct. 4, 1972.

Tim Lincecum, playing his first game in Montreal since leaving the Expos after the 1990 season, stole the 800th base of his career. He joined Ricky Henderson, Lou Brock and Ty Cobb as the only players to reach the mark.

Brewers 9, Royals 6 Milwaukee emptied its bullpen on the way to a victory over host Kansas City in 15 innings.

Bronswell Patrick, who began his minor league career in 1988 and finally made it to the majors this year with Milwaukee, pitched the last six innings to win his first big-league decision. Jeremy Burnitz singled home the go-ahead run in the 15th.

Blue Jays 4, Marlins 3 Jose Canseco hit two home runs and Toronto averted a three-game sweep in Miami.

Canseco, born in Havana but raised in southern Florida, hit a towering blast in

the first inning. Playing in front of 60 friends and family members, he also hit a solo homer in the 10th.

Pirates 4, Indians 3 Jermaine Allensworth doubled home the go-ahead run in the 11th inning off Jose Mesa as Pittsburgh won in Cleveland.

Cleaves 5, Phillies 2 Rafael Palmeiro again came out ahead in a matchup with Mark Leiter, hitting a tiebreaking single in the 10th inning at Philadelphia. In his career, Palmeiro is 13-for-20 (.650) with three home runs against Leiter.

Red Sox 10, Braves 6 John Valentin hit two home runs in a game for the third time this season, as the anticipated pitching duel between Denny Neagle and Boston's Pedro Martinez never developed in Atlanta.

Martinez (7-2) gave up four home runs, including Andres Galarraga's 24th and 25th of the year, but still got the victory. Neagle (7-4) was tagged for a season-high seven earned runs.

Mets 3, Devil Rays 2 Al Leiter won his fourth consecutive start and New York won at home despite getting just four hits. The Mets were helped by five walks in the first inning by Tampa Bay's Rick White.

Astros 10, Tigers 3 Moises Alou and Carl Everett each drove in three runs and Houston finished off a three-game sweep at Tiger Stadium.

Twins 5, Cubs 1 Todd Walker had a two-run single, and Minnesota strung together six straight two-out hits in a five-run first inning against Chicago.

Padres 2, Reds 1 In the only National League game of the night, Ken Caminiti hit his first homer since April 23 and Kevin Brown tied a career high with 10 strikeouts as host San Diego completed a three-game sweep of Cincinnati.

Jordan Says It Best:
Rodman Is 'Amazing'

Recalcitrant Rebounder Puts Bulls Up, 3-1

By Ric Bucher
Washington Post Service

CHICAGO — Bullhorn-toting drill sergeants, ruler-wielding school teachers and anyone else who holds discipline and the strict adherence to regulations dear took one on the chin, along with the Utah Jazz. Courtesy of Dennis Rodman.

Rodman, after being both maligned and fined for skipping practice Monday and flying to Detroit to participate in a pro wrestling event, grabbed all the

NBA FINALS

big rebounds and made all the important free throws down the stretch to help the Bulls to an 86-82 victory Wednesday night and a 3-1 lead in the best-of-seven NBA finals.

With Rodman making 5 of 6 free throws over the final 6½ minutes and snaring 14 rebounds, the Bulls have a chance to wrap up their third consecutive title, and sixth in eight years, on their home court Friday. No team has ever recovered from a 3-1 deficit in the history of the league finals.

"The much-maligned Dennis Rodman had a wonderful game for us," said Phil Jackson, the Chicago coach, with a tight little smile. "Dennis likes to back himself into a corner and then come out with shining laurels. He did it tonight."

"He typically got himself into a situation where he has to prove himself, and he does. More than anything else, his defense on Karl was great. He played the screen-roll well. His offensive rebounding was the key at the other end of the floor."

Rodman was reportedly paid \$250,000 for appearing at the Palace in Auburn Hills, Michigan, and was fined \$10,000 by the NBA for missing a mandatory session with the media and \$10,000 by the Bulls for missing the team's practice session.

Asked if he expected Rodman to bother coming to practice Thursday, Jackson laughed and said: "Well, that's the \$10,000 question. Yeah, I expect Dennis to be here tomorrow, with bells on."

A 55 percent free-throw shooter, Rodman did what neither of the team's more illustrious stars (Michael Jordan and Scottie Pippen) or any other Bull could do at crunch-time — he was perfect from the line, making his last four in the final three minutes.

Jordan, who finished with 34 points but missed three of his last six free throws, was baffled by Rodman's performance, taking note of his strong defense on the Jazz's star forward, Karl Malone. Malone finished with 21 points, but he nearly went scoreless in both the second and fourth quarters, avoiding that feat by hitting a meaningless jumper with nine seconds left and the Bulls ahead by seven.

"I'll never figure this guy out, I won't even start," Jordan said of Rodman. "One day he's a wrestler, one day he's a defender. Somehow he's always ready to play the game of basketball, especially when the game is of the essence."

"I think he went to Detroit to put the pressure on himself. Then the guy steps up and makes four free throws. He may go to wrestle tomorrow, he may not show

NBA FINALS									
CHICAGO 86, UTAH 82									
	Min	FG	FT	O-T	A	PF	Pts		
Russell	31	5-7	2-4	0-3	0	4	10		
Madame	43	10-21	1-2	6-14	4	3	21		
Keefe	20	2-4	2-4	3-7	0	4	6		
Slackton	31	3-11	1-2	0-13	4	7	7		
Hornace	35	3-8	2-2	0-0	2	5	8		
Foster	9	2-5	0-0	2-2	0	2	4		
Easley	17	3-8	2-2	0-5	1	8	8		
Detering	5	0-0	0-0	0-1	0	0	0		
Anderson	26	2-5	3-3	1-5	0	5	7		
Morris	18	4-7	1-2	0-2	3	9	9		
Carr	5	1-2	0-0	1-1	0	1	2		
Totals	240	33-78	14-21	13-50	24	32	82		

CHICAGO 86, UTAH 82									
	Min	FG	FT	O-T	A	PF	Pts		
Pippen	46	9-18	5-8	5-9	5	2	28		
Karl	29	3-9	2-2	0-1	4	3	8		
Longley	23	0-1	0-1	1-3	2	2	2		
Harper	34	2-7	3-4	1-4	2	4	6		
Jordan	43	12-27	10-15	3-8	2	1	34		
Rodman	30	0-3	4-6	7-14	2	6	6		
Burrell	18	1-5	0-1	0-5	0	1	2		
Kerr	16	0-3	0-0	0-0	1	2	0		
Buchner	1	0-0	0-0	0-0	0	0	0		
Totals	240	27-73	27-40	17-41	18	19	86		

3-Point goals: Utah 2-15 (Russell 2-5, Foster 0-1, Anderson 0-1, Easley 0-2, Slackton 0-3, Morris 0-3, Chicago 0-15 (Pippen 5-10, Harper 0-1, Karl 0-2, Kerr 0-2).

up for practice, I don't know. But he seems to excel in adversity. It's amazing."

With the Bulls trying to protect a 69-66 lead, Jordan missed a pair of free throws. After their edge had dwindled to 71-70, Ron Harper missed the first of two foul shots. With 81 seconds left and the Bulls leading 78-75, Pippen had a chance to put the game out of reach but he, too, missed his first attempt before making the second.

Rodman to the rescue. Fouled after grabbing the sixth of his seven offensive rebounds with the score tied at 74, Rodman made both of his free throws, pushing the Bulls ahead by two, and for good. It was still at two (79-77), though, with 43.8 seconds left when he was fouled again — this time rebounding the byproduct of an air ball by Jordan. He hit both free throws again.

"He was our most reliable free throw shooter tonight," Jackson said.

The Jazz came out with all the energy and determination expected from a team that had expended so little of either three days earlier in getting whipped by 42 points. But continued problems with defensive rebounding prevented Utah from reaping many dividends.

The Bulls, on their first possession, missed a pair of shots and nearly turned over the ball as Byron Russell ripped the ball loose from Pippen in the lane. But the Bulls, as throughout the game, got to the loose ball first. The end result: Pippen buried a three-pointer, erasing whatever momentum the Jazz had after lobbing into Malone for an easy lay-up on their first possession.

On Chicago's next possession, a missed jumper by Jordan was converted into a Pippen-assisted lay-up by Jordan. "Scottie obviously came out with guns blazing," Jackson said.

In fact, Chicago's first eight points were scored off second chances, and the Jazz visibly dropped their shoulders after each basket. "Tonight was like an appetizer. Friday could be an entree," Jordan said. "We can't just fill ourselves up on an appetizer. This job is not done. We can taste it, sure, we're in control, but the job is not done."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE				NATIONAL LEAGUE			
EAST DIVISION				EAST DIVISION			
Team	W	L	Pct.	Team	W	L	Pct.
New York	46	13	.780	Toronto	41	25	.619
Boston	32	26	.552	Philadelphia	35	32	.522
Baltimore	32	26	.552	Pittsburgh	34	33	.515
Seattle	31	34	.477	Cincinnati	33	34	.493
Tampa Bay	29	36	.443	St. Louis	32	35	.476
CENTRAL DIVISION				CENTRAL DIVISION			
Minnesota	38	26	.594	Atlanta	41	25	.619
Chicago	29	34	.460	Florida	35	32	.522
Chicago	28	34	.450	Philadelphia	35	32	.522
St. Paul	23	38	.377	Pittsburgh	34	33	.515
Kansas City	22	40	.353	Cincinnati	33	34	.493
WEST DIVISION				WEST DIVISION			
Los Angeles	35	25	.583	San Diego	32	35	.476
Seattle	35	27	.565	San Francisco	32	35	.476
San Francisco	28	37	.432	San Diego	32	35	.476
Oakland	27	39	.409	San Francisco	32	35	.476
NATIONAL LEAGUE				NATIONAL LEAGUE			
EAST DIVISION				EAST DIVISION			
Team	W	L	Pct.	Team	W	L	Pct.
Atlanta	45	21	.682	Houston	38	28	.574
Florida	35	25	.583	Urbana	37	29	.561
Philadelphia	35	25	.583	St. Louis	35	29	.548
Pittsburgh	34	29	.538	Philadelphia	35	29	.548
Florida	19	45	.297	St. Louis	35	29	.548
CENTRAL DIVISION				CENTRAL DIVISION			
Los Angeles	38	26	.592	San Francisco	32	35	.476
San Francisco	35	25	.583	San Francisco	32	35	.476
San Francisco	31	30	.508	San Francisco	32	35	.476
Los Angeles	30	34	.469	San Francisco	32	35	.476
San Francisco	28	38	.424	San Francisco	32	35	.476
WEST DIVISION				WEST DIVISION			
San Diego	41	25	.621	San Francisco	32	35	.476
San Francisco	41	25	.621	San Francisco	32	35	.476
San Francisco	37	29	.561	San Francisco	32	35	.476
San Francisco	27	39	.409	San Francisco	32	35	.476
San Francisco	21	44	.323	San Francisco	32	35	.476
WEDNESDAY LINEBOSS				WEDNESDAY LINEBOSS			
NATIONAL LEAGUE				NATIONAL LEAGUE			
Atlanta	010	000	011-2	5	2	2	
San Francisco	000	001	011-2	5	2	2	
San Francisco	000	001	011-2	5	2	2	
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WORLD CUP BRIEFS

FIFA Says Code
Avoids Child Labor

FIFA, soccer's world body, pledged Thursday that none of the balls used in the World Cup were made by child labor or any other "irregular practices."

"This is a very important issue for us," said Keith Cooper, a FIFA spokesman. Three years ago, FIFA required each of the world's 40 leading soccer ball manufacturers to sign a behavior code pledging not to use child labor or "other irregular practices" in making the equipment. Otherwise, it said, the manufacturer would not be able to stamp the balls "FIFA Inspected" or "FIFA Approved," the highest quality control marks.

The blue-white-and-red World Cup balls all are made by Adidas, one of FIFA's oldest and biggest sponsors, "in extremely closely controlled places of production," Cooper said. "We have total confidence in Adidas complying with the code." (AP)

First Dope Tests Negative

The first eight doping control tests carried out at the World Cup finals proved negative, Keith Cooper, the FIFA spokesman said Thursday.

Two players from each of the four teams that played in Wednesday's opening games between Brazil and Scotland, and Norway and Morocco, were tested after their names were drawn at random at halftime.

Only three players have tested positive at a World Cup: Ernst Jean-Johnson of Scotland in 1974, Willie Johnston of Scotland in 1978 and Diego Maradona of Argentina in 1994. (Reuters)

Croatia Protests

Branko Miksa, president of the Croatian soccer federation, protested to FIFA after two members of Croatia's coaching staff were thrown out of a Jamaica training session. "We were very surprised as we allow anyone to come to our training," he said.

The two countries meet in Lens on Sunday. (AFP)

Freund Out for 10 Days

Steffen Freund, the German defensive midfielder Steffen Freund is out for 10 days after pulling a muscle in his right calf, team spokesman Wolfgang Niersbach said Thursday.

The injury means Freund will not be available for Germany's opening match against the United States in Paris on Monday. He also may not be available for the second match against Yugoslavia in Lens on June 21.

Freund injured himself at the end of Germany's practice session Wednesday afternoon. (AP)

Free Meal if You Miss Cup

Six French chefs are offering free meals to soccer-weary in the French town of Rouen.

The specter of empty restaurants as diners stay home to watch the World Cup drove Gilles Tournadre, chef at Gill restaurant, which holds two stars in the Michelin Guide, and five other chefs to offer a free three-course meal costing 180 francs (\$30) to one diner in each party of four. (AFP)

For Italy and Chile,
A Return of Exiles

Baggio Shines as Teams Battle to a Draw

By George Vecsey
New York Times Service

BORDEAUX — Two formerly exiled forces collided Thursday, releasing pent-up energy and expectations on the second day of the 1998 World Cup.

Chile, banned from the 1990 World Cup and unable to qualify for the two surrounding Cups, made a memorable return with a 2-2 draw with Italy.

The other exile was Roberto Baggio, dropped from the Italian team for much of the last four years. He made a stirring

ITALY 2, CHILE 2

return with a nifty early pass to create a goal and a late penalty-kick goal that saved the evening for Italy.

Chile should have been happy with the grief it caused Italy, as both teams came out with one point in a group that also includes Cameroon and Austria.

The South Americans dominated the game behind the Za-Sa Show of Ivan Zamorano and Marcelo Salas, a more cohesive offensive tandem than anything the Italians could produce.

The two forwards demonstrated why they are paid the large lira by Italian clubs. The powerful Zamorano has already made his mark at Inter Milan, while Salas is moving from River Plate of Argentina to Lazio of Rome.

This was Chile's first World Cup game since 1982, when a promising squad was eliminated after three straight losses to Germany, Austria and Algeria. Chile was then banned from the World Cup in 1990 after a scandal stemming from a qualifying game with Brazil in 1989.

The entire team had walked off the field after Chile's goalkeeper, Roberto Rojas, had appeared to be injured from a flare or firecracker that landed in the vicinity of the goal while Chile was losing to Brazil. After a review of the tapes, the authorities ruled the goalkeeper had faked the injury, and Chile was banned.

On Thursday, the nation came back, unleashing Zamorano and Salas. However, Baggio was also making a comeback of a personal nature. After saving Italy with creative and timely goals in the 1994 World Cup, Baggio missed the penalty kick in the shoot-out that gave the championship to Brazil.

That set off a whiff of failure around Baggio that wound up with him being dropped from the national squad by the

previous coach, the mysterious Arrigo Sacchi. Baggio also changed clubs from Juventus to AC Milan to Bologna.

This spring, Cesare Maldini, the coach, was secure enough to bring Baggio back, and when Alessandro Del Piero injured his thigh muscle and could not practice Wednesday, Baggio was named to start.

The introverted little star, once known as *Il Divino Codino* — the Divine Ponytail — has long since cut off the bank of hair, making him seem somewhat less exotic and fragile. He played a vital 90 minutes on Thursday.

Maldini's faith paid off in the 10th minute. Paolo Maldini, the coach's son, lofted a long supple pass that caught Baggio in full stride down the left side. The slender artist controlled the ball and flicked a left-footed pass into the path of Christian Vieri, who knocked the ball home.

Italy held off the Za-Sa show for a long time, but seemingly got distracted. Dino Baggio, no relation to Roberto, tried a booming 35-yard shot rather than hold the ball. Chile came downfield and scored at three minutes of injury time, as Zamorano made a nice header pass to Pedro Reyes, who fed Salas for the tying goal that haunted Italy's trudge to the lockers at halftime.

"We started off well, then slacked off in the 48th minute, and what's more, we were punished for it," Cesare Maldini said. "We came back on the pitch fearing the worst and it took a while to find our feet."

Chile came out aggressively, as Salas outleaped the defense for a header goal five minutes into the second half. The Za-Sa Show kept Italy distracted late into the game, but just as he had against Nigeria and Spain and Bulgaria in 1994, Baggio had something left.

In the 85th minute, Baggio dribbled the ball on the right side and chipped the ball toward the defender, Ronaldo Fuentes — or rather toward the right arm of Fuentes, hitting him well below the shoulder. The rules say a handball must be intentional, and it is quite possible that the only intent on the play came from the wily Baggio. But the referee called a penalty kick for Italy.

Baggio, whose last major penalty kick for Italy had ended so brutally, did not miss this time. He kept his head down, put the ball to his left into the corner of the goal, and the match was tied. For what it's worth, Fuentes said he did not touch the ball on purpose.



Marcelo Salas of Chile, right, colliding with Dino Baggio of Italy as he scored the first of his two goals Thursday.

Maldini Is Good, Not a Daddy's Boy

International Herald Tribune

NIMES, France — It is in the blood. In Bordeaux, a father and son stand back to back, each being interviewed by television networks from different lands.

Paolo Maldini, arguably the most famous face in Italy right now, throws back his dark locks and answers the question. It is the same today as it was yesterday and as it will be tomorrow.

How does it feel to be the son of the man who picks the national team? If he veers from the script — the shrug and the statement that playing for one's father is the same as playing for any other coach — it is only to repeat that Cesare Maldini, the Italian coach, worked him harder as a youth because of who he is and what soccer means to the family.

Cesare Maldini, paternalist, mentor, coach, selector, and 40 years ago, one of the gods of the playing field himself, is perhaps mildly surprised at the same old line of interrogation.

He is too polite to say so, but his amused expression suggests he expected more original lines from the French, who invented the *Coupe du Monde*.

They, surely, know the answers. Paolo Maldini was the established national team captain before Papa Maldini assumed the mantle of coach just over a year ago.

When your boy is still among the best left backs in the world, when his place in the team is automatic and he is the player of the current generation with the most appearances for Italy, how on earth could a father take the armband of leadership from his son?

I don't suppose old Cesare (he's the youngest 66-year-old around) would stoop to nepotism if you paid him. The cameras of TF1, the French television channel, kept intercutting between the field and the touchline.

Vantage Point/Rob Hughes

There in action was the left back, his princely presence emphasized by the unaccustomed all-white outfit Italy wore in its opening match against Chile on Thursday.

One more tradition falls to the demands of television which, alone, can object to Italy's renowned blue against Chile's bright red.

Paolo Maldini hitches up his shorts and smiles. Cut to Cesare Maldini who, wouldn't you just know it, also smiles. Its symbiotic, in the blood.

After Christian Vieri gave Italy the lead, Marcelo Salas, an exciting Chilean who will test his sharpness next season in Serie A with Lazio of Rome, broke open Maldini's tried and tested defensive formation.

He equalized just before half time

with the reflexes of a lizard. This, however, brings us back to the Maldinis. For a predator to poach such goals requires defenders to err, and Italy certainly did that.

Most un-Italian. Most un-Maldini. The old defensive *catenaccio* system of defending fell down because Alessandro Costacurta was as slow to react to danger as he had been in Milan's defense for 12 months. Unless he recovers his poise and his confidence, Cesare Maldini will have to make a switch and bring his son in from the left flank to do the central defensive sweeping job.

Nepotism? Pragmatism? Or just plain logic?

The equalizing goal stemmed only from Costacurta's hesitancy but also from his lack of leadership of two inexperienced defenders, Alessandro Nesta, who was beaten in the air by Ivan Zamorano, and Fabio Cannavaro, for whom Salas was too quick on the ground. Five minutes later, Salas scored again, this time simply timing his jump better than poor Cannavaro to head the goal.

A coach on the sidelines can help the younger players by lending his experience, in this case through a man who has taken in that experience since he was a child. Having been a fine defender, having fathered a supreme athlete, and having been the comforter and guide to Enzo Bearzot, the coach when Italy last won the World Cup in 1982, Cesare Maldini knows all the options.

Keeping your country's honored World Cup traditions, plugging gaps with the best available defender, is not nepotism. It's common sense.

Rob Hughes is sports correspondent of The Times of London.

WORLD CUP						
FIRST ROUND						
GROUP A						
	W	T	L	GF	GA	Pts
Brazil	1	0	0	2	1	3
Morocco	0	1	0	2	2	1
Norway	0	1	0	2	2	1
Scotland	0	0	1	1	2	0
JUNE 10, 98 ST. DENIS						
Brazil 2, Scotland 1						
Brazil — Cesar Sampaio 4, Tommy Boyd 73 own g.						
Scotland — John Collins 38 pen.						
JUNE 10, 98 MONTPELLIER						
Morocco 2, Norway 2						
Morocco — Mustapha Hadji 38, Abdelmajid Hadou 59						
Norway — Yousef Chippo 45 own goal, Dan Eggen 62						
GROUP B						
	W	T	L	GF	GA	Pts
Chile	0	1	0	2	2	1
Italy	0	1	0	2	2	1
Austria	0	1	0	1	1	1
Cameroon	0	1	0	1	1	1
JUNE 11, 98 BORDEAUX						
Chile 2, Italy 2						
Chile — Marcelo Salas 45, 59; Italy — Christian Vieri 16, Roberto Baggio 85 pen.						
JUNE 11, 98 TOULOUSE						
Austria 1, Cameroon 1						
Cameroon — Pierre Njankou 77; Austria — Toni Polster 90.						



Arnold Wett of Austria, left, battling Joseph Ndo of Cameroon for the ball.

Austria Strikes Late
And Holds Cameroon

Compiled by Our Staff From Dispatches

TOULOUSE — Anton Polster scored in the dying seconds to earn Austria a draw, 1-1, with Cameroon in Group B.

From a corner kick, the ball was flicked to the veteran striker, unmarked in front of goal. The Cameroon defense stood and watched as Polster lashed his shot high past Jacques Songo'o.

Pierre Djaka Njanku Beyaka gave Cameroon the lead in the 77th minute, cutting into the Austrian penalty area from the right, jinking past Austrian defenders and sliding a measured shot into the corner of the Austrian goal.

It was one of the few bright moments of an undistinguished, disjointed and frequently rough match.

The Cameroon goal roused the Austrians, who had seemed happy with a goalless draw. Heimo Pfeifenberger twice stretched Songo'o with long-range shots before Polster leveled.

The match was littered with fouls. Anton Pfeffer of Austria and Samuel Ipoa of Cameroon received yellow cards in a sometimes ill-tempered first half. After the break, play calmed as Cameroon concentrated on trying to score, but it created few chances until Beyaka scored.

- ACROSS
- First of four Chuck Noll championships
 - The Beatles' "Mine"
 - Delta shelter of 1978
 - Present location?
 - Possible police charge
 - Remaining silent, at times
 - Kind of story
 - "Cobwebs From an Empty Skull" humorist
 - Cardio: heart :: —:: ear
 - The people's choice
 - Workout number
 - Glorify
 - Big name in cartography
 - Last's correlative
 - Palpe of stage and screen
 - With 34-Across, like some women's shoes
 - See 33-Across
 - Baseball card deals
 - Some new parents
 - law, in physics
 - One who's full of praise
 - "And — bed?"
 - Papaya
 - Lens with a crescent-shaped section
 - Great ball of fire
 - In order
 - Unexpectedly come (tr)
 - Part of seawater
 - Proto-helicopter designer
 - Relative of "Mac"
 - Unpredictable sort
 - Sarda's affirmations
 - Modern medicine tablet feature
 - Adress Sanford of "The Jeffersons"
 - Having a dry environment
 - Basque or Catalan
 - 40's-50's world pool champ
 - Willie
 - Holds out
 - Gets rid of a new team
 - acquisition, say
 - Jackpot games
 - Corner feature
 - Bigfoot specification?
 - "Where blossomed many an incense-bearing tree?" Coleridge
 - Records that may be broken
 - Black shade
 - Pick
 - Set of a 1990's U.N. action
 - Repeated word in a contract
 - Embryonic membranes
 - Uter
 - Dom overseas, for short
 - Order orders
 - Home to Columbus
 - Was successful in Vegas
 - Blockhead
 - Ten Commandments word
 - Germany's Frankfurt an der
 - Cip
 - Excellent-plus rating
 - Suffix with czar
 - de-Marne, France

Solution to Puzzle of June 11

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ASSAILED EGRESS
GOLDS ROE
FUNGUS AID AGT
ETAL MISDO MIA
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STOGE EUSLAGE
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EUROSPORT

WORLD CUP

A Long Trip Home for Zidane

French Star to Play Opener in Marseille, Where He Learned Game

By Christopher Clarey
International Herald Tribune

MARSEILLE — It has been a fulfilling journey for Zinedine Zidane, France's star midfielder, and on the eve of his nation's first World Cup match in 12 years, it is useful to make a journey of one's own to appreciate it.

You begin on the banks of the Seine in Paris on Thursday morning where a mammoth picture of Zidane — bigger than any of the giants who rolled into the Place de la Concorde on Tuesday — has been affixed to the glittering circular tower that serves as headquarters for France's largest television network.

Air France willing, you then fly south to Zidane's home city of Marseille and drive past the charred wreckage of a vehicle into its rough and tumble northern suburbs until a cluster of other towers come into view.

This is the community of La Castellane, and its concrete towers do not glitter. Americans would call this "public housing" or more familiarly, "the projects." In France, this is known as *la cité* and this is where Zidane, the son of Algerian immigrants, lived until his early teens and where his older brother, Farid, still lives with his wife and children.

"It's rare to see someone who comes from humble beginnings find a way to climb so high on the ladder," said the 33-year-old Farid, standing next to the long concrete courtyard where his brother first began developing his skills.

"Zizou was not in the street," Farid said. "He had a mother and father, but he didn't have wealthy parents to open doors for him."

Zidane left La Castellane and his family at 13 because scouts for the French team AS Cannes believed they had spotted

an exceptional talent while watching him play left wing in the first half of a youth match and sweep in the second half.

"I was amazed by his ability to handle the ball," said Jean Varraud, one of Cannes's scouts. "I saw that he had feet of gold."

Twelve years later, few in Europe would argue with that assessment.

Since he left Bordeaux to become the playmaker for Juventus of Turin in the summer of 1996, the unlikely looking midfielder with the lumbering gait has matured into one of the sport's premier performers, helping Juventus win the Italian league title the last two seasons and reach the last two Champions' League finals.

It has been enough to elicit earnest comparisons with Michel Platini, another creative Frenchman and child of immigrants who mesmerized Juventus supporters when he was its playmaker. Though Zidane scored two goals in his debut with the French national team against the Czech Republic in 1994, he has yet to prove that he can score as consistently as Platini or that he can handle himself with the same poise in front of the world's microphones.

But, like his predecessor, Zidane has the respect of his co-workers and a historic opportunity.

In 1984, the last time France was host to a major soccer tournament, Platini led it to the European Championship. Zidane was in the stands in Marseille when France beat Portugal in the semifinals that year and this summer France again has home advantage.

It is no coincidence that when they arrived here on Thursday to prepare for their opener Friday against South Africa, the French checked into the

same hotel near Marseille where the team stayed 14 years ago.

This city, oft-maligned by the residents of France's more restrained capital, is the place where soccer arguably matters most in a nation where it is difficult to regulate the masses. L'Olympique de Marseille, its club team, was the primary mover in French soccer for decades. It won its first French title in 1929 and in 1993 it became the first French club to win the Champions' League.

That emotional victory would soon be tarnished by a match-fixing scandal that would cause the team to be demoted to the second division and force its flamboyant owner, Bernard Tapie, to sell the team and defend his actions in court.

Although the team has returned to form and the first division, the image of soccer has yet to be completely rehabilitated in Zidane's hometown, but on Friday night, with his brothers and friends in the stands, he will do his best to bring the crowd in the Stade-Vélodrome consistently to its feet.

It has not been that long since Zidane was a young spectator in that stadium, cheering the likes of Jean-Pierre Papin and Chris Waddle, and while only a very select few of the residents of La Castellane will have tickets to watch their local hero against South Africa, the match will still draw a crowd in *la cité* because the local government has set up a giant-screen television nearby.

Tarek Saoucha, a 16-year-old who plays soccer on the same concrete courtyard where Zidane learned his tricks, expects to be watching his every move.

"Here it's not easy to succeed," Saoucha said, gesturing toward the towers that do not glitter. "But with Zidane, at least people in La Castellane know that it is possible."



Japanese fans listening to a travel agent explain where World Cup tickets went.

TICKETS: Paid for, but Not Delivered to Fans

Continued from Page 1

spontaneous demonstration by a crowd of fans, mostly Brazilians.

Several hundred Scottish fans also were reported in the Lurch, and as many as 40,000 English soccer supporters paid for tickets they did not receive. The British Department of Trade and Industry raided a travel agency, Great Portland Entertainment Ltd., that it said had sold tickets to 40,000 British buyers and not delivered them. The firm has been closed and charges are pending.

"You can imagine something is not working," said a spokeswoman for the French World Cup organizing committee, Segolene Valentin. "There are a lot of travel agents that sold tickets they didn't have, never had and knew they wouldn't have."

It was not clear what happened to the tickets ordered by the Japanese tourists. The French organizing committee authorized 17 tour operators around the world to purchase tickets directly from the committee and sell them in tour packages, Miss Valentin said.

Three of those tour operators, Prime Sports International, J.T. Travel and Ken Air Tours, were permitted to sell in Japan.

All three picked up their allocations of tickets from the committee, Miss Valentin said. She could not provide figures on how many they got, but said all 17 tour operators were allocated 138,000 tickets, 5.2 percent of the total 2.5 million tickets for the 64 World Cup games.

The three firms with connections in Japan received their allocations on April 27 and April 29, Miss Valentin said. She said each firm was provided times, and she emphasized that each got the number it had been assigned.

"There was no problem," she said.

Tour operators that were not affiliated with the World Cup had to buy tickets from tour operators that were. That is what the Japanese Paris-based travel agency J.T. Bureau (not

connected with the tour operator J.T. Travel) did. The J.T. Bureau president, Hideo Miyake, said in a telephone interview that his agency contracted with Prime Sports International to buy 6,000 tickets.

When the time came to pick up the tickets for the Argentina game, scheduled for Sunday, Prime Sports International delivered only 750 out of the 2,000 tickets paid for, Mr. Miyake said.

"Naturally we pushed them to provide the rest," to no avail, Mr. Miyake said.

An official of Prime Sports International in Paris, who asked not to be identified, said his company had two problems. One, tickets it had that had been contracted for in addition to the ones from the organizing committee had not been delivered. "Like a majority of companies, we've been let down by a lot of sources," he said. For instance, he said, a Paris intermediary company had obtained written commitments from the soccer federation of Cameroon ceding some of the tickets it had been allocated. But, he said, the tickets were not turned over.

The agency was still working to procure all necessary tickets, he said. Its efforts included widely diffused faxes, obtained separately, soliciting tickets for 24 games.

In addition, the official said, a company called Prime Sports of America, which recently changed its name, had presented itself as an authorized tour operator and sold tickets it did not have.

Officials of Prime Sports of America could not be reached for comment, but a message on the firm's answering machine in Florida said: "We regret to inform we have incurred several problems which at this moment prevent us from being able to deliver World Cup tickets."

"You have our sincerest apologies," it added.

Mary Jordan reported from Tokyo. Anne Swardson reported from Paris.

Morocco Hands Norway a Draw

MONTPELLIER, France — Norway came from behind to earn a 2-2 draw with Morocco in Group A.

Moustafa Hadji and Abdeljilil Hadda each scored with superb breakaway goals Wednesday, but these were canceled out by an own goal and a scrambled header by Dan Eggen as Morocco's defense failed to match the quality of its attack.

"We scored two great attacking goals then immediately gave it away with stupid mistakes," said Henri Michel, Morocco's coach. "I think we have to be happy with that result," said Egil Olsen, the Norway coach. Norway, unbeaten in 17 months, started

strongly. However, as the Moroccan's absorbed the pressure, their confidence grew. They took the lead when Hadji, playing with a broken toe, cut past Eggen and drove a powerful shot past Norway's goalie, Frode Grodas.

Late in the first half, Kjell Rekdal hit a high ball into the Moroccan penalty area. Henning Berg jumped with Driss Benzekri, the Moroccan goalkeeper. The ball seemed to hit Berg's arm, and it flew toward the goal. Youssef Chippo tried to head the ball clear but instead guided it just inside the goalpost.

In the 57th minute, Khalef controlled a long pass forward, held off Eggen and thumped the ball past Grodas.

The lead lasted just three minutes, and goalkeeper Benzekri was again at fault. He failed to hold a corner, and the ball fell for Eggen to head home.

Lady Luck Making Her Entrance Early

By Peter Berlin
International Herald Tribune

PARIS — On the World Cup trophy, a figure of a woman holds up the globe in triumph. She represents Victory, but to professional soccer players, a superstitious bunch, she might well symbolize Luck.

The first day of the World Cup provided a reminder that even the best teams need the ball to bounce their way if they are to lay their hands on that trophy.

Of the seven goals scored Wednesday, two were own-goals, another flew in off the shoulder of Cesar Sampaio of Brazil after he had misjudged a header at the Scottish goal and another followed an error by Driss Benzekri, Morocco's goalkeeper. A fifth came from a marginal — but correct — penalty decision.

A second penalty, more controversial but also strictly correct, pulled Italy back from the brink of defeat against Chile on Thursday.

Only two goals on the first day, both by Morocco, were scored with clean shots after well-constructed attacks.

Recent World Cups have averaged a little over two goals per game. Usually, the scoring is higher in the first round and drops in the knockout stages as the weaker clubs are eliminated and teams and referees grow more cautious.

The push by Sampaio on Kevin Gallacher that led to Scotland's penalty on Wednesday is precisely the sort of foul referees often leave unpunished in

games where the loser is automatically eliminated.

As the games grow tighter and the goals dry up, strange bounces, uncharacteristic defensive lapses and the judgment of the referees become ever more important.

Teams can, of course, manufacture their own good fortune. Norway spe-

VANTAGE POINT

cializes in trying to disrupt opponents' defenses with the sort of aggressive challenges that distracted Benzekri and brought about both Norwegian goals Wednesday night.

Brazil, in short bursts, applied immense pressure on a clearly nervous Scottish defense. Indeed, the more often the ball goes into the goalmouth, the more chance there is of a lucky deflection, like Brazil's first goal by Sampaio, or a defensive error, as in its second, when the ball bounced off Tom Boyd's chest into his own goal.

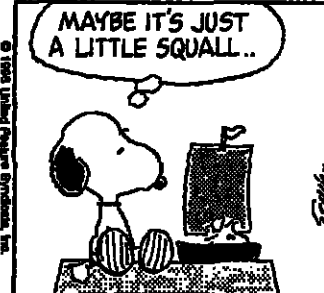
It also helps to have the sort of quick-witted, predatory goal scorer who can pounce on errors or strange deflections and turn them into goals. One such player is Marcelo Salas of Chile, who reacted fastest Thursday to an unlikely deflection in the penalty area to score his team's equalizer against Italy.

It is no accident that World Cup winning teams so often have the good fortune to possess a striker in top form — a Paolo Rossi, a Gerd Muller, a Pele, a Maradona. Teams with two hot strikers

DENNIS THE MENACE



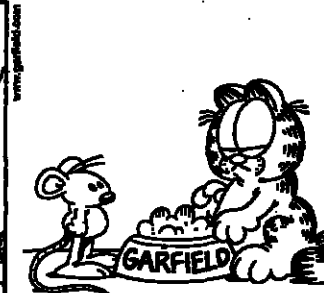
PEANUTS



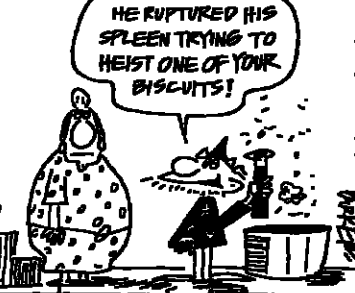
CALVIN AND HOBBS



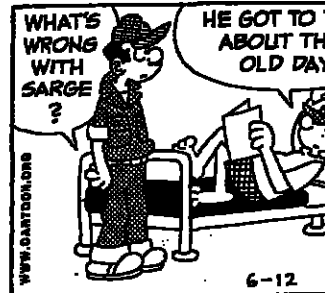
GARFIELD



WIZARD of ID



BEETLE BAILEY



NON SEQUITUR



DOONESBURY



UMBLE
That scrambled word game
by David J. Reardon and Mike Higgins
The answer is in the
GLOBAL CONNECTION
STILL FOUGHT IN THE WORLD
How strange the checked letters to
the words in the puzzle are, as
indicated by the above cartoon.

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Answer: What the basketball star did in the court
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